

ORIGINAL

Decision No. 39290

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of WEST SIDE LUMBER COMPANY, a corporation, and TURN BACK CREEK LIGHT AND POWER COMPANY, an electrical corporation, for authority to dissolve said electrical corporation.	)	
	)	
	)	Application
	)	No. 27485
	)	

In the Matter of the Application of WEST SIDE LUMBER COMPANY and PACIFIC GAS AND ELECTRIC COMPANY for an order authorizing the former to sell and convey to the latter the public utility properties and business herein mentioned.	)	
	)	
	)	Application
	)	No. 27486
	)	

R. W. DuVAL, Attorney, for Pacific Gas and Electric Company.

PILLSBURY, MADISON and SUTRO, by HUGH FULLERTON and L. F. KUECHLER, Attorneys, for West Side Lumber Company and Turn Back Creek Light and Power Company.

O P I N I O N

Turn Back Creek Light and Power Company, a corporation, renders electric service within and about the unincorporated town of Tuolumne, County of Tuolumne. It seeks authority to dissolve the corporation. West Side Lumber Company, a corporation which holds all the capital stock of Turn Back Creek Light and Power Company, and will succeed to the properties of the dissolved corporation, joins with Pacific Gas and Electric Company in seeking authority for the sale and purchase of those electric properties.

West Side Lumber Company began the construction of an electric system at Tuolumne some time prior to the year 1906. In 1927, in Applications 13612 and 13613, the Commission authorized the conveyance of all these electric facilities to Turn Back Creek Light and Power Company. Service is now being rendered to about five hundred customers. For the year 1945 the gross revenue derived from electric

sales amounted to \$21,295.40. Although West Side Lumber Company will continue its lumbering operations in this area, it desires to dissolve the utility corporation and be relieved of all further utility obligations.

Pacific Gas and Electric Company renders electric service in the territory surrounding that served by Turn Back Creek Light and Power Company. It is now supplying energy to the latter company for resale purposes. If Pacific acquires these properties, it intends to increase and improve the distribution facilities in order to adequately provide for anticipated increased customer demands. It proposes to establish its existing schedule of metered rates applicable to unincorporated territory in the Stockton division. The application of such rates will effect a substantial reduction in the rates now being applied by Turn Back Creek Light and Power Company.

Pacific has agreed to pay \$30,000 for these properties, including additions thereto and the materials and supplies on hand. An engineer for Pacific testified that in his opinion the books of Turn Back Creek Light and Power Company do not reflect the true cost of the properties to be conveyed. He presented appraisals on both historical cost and reproduction cost bases. In Exhibit No. 2, he estimates the historical cost to July 1945 to have been \$31,602, and accrued depreciation of \$17,705. At the time of hearing, the Commission's staff had not made an analysis of the books nor an estimate of the original cost of the electric facilities here involved. However, the matter was then submitted with the understanding that a further hearing would be accorded should a disagreement arise with respect to applicant's appraisal.

From the facts now before the Commission, it is concluded that the figures appearing in Exhibit No. 2 of the estimated historical cost as of July 1945 of the properties of Turn Back Creek Light and Power Company, and of the accrued depreciation to that date, may reasonably be accepted as the proper basis for

Pacific's entries on its books for the recording of the acquisition of such properties, in accordance with the Uniform System of Accounts prescribed by the Commission for electrical corporations.

Pacific Gas and Electric Company possesses a franchise for the maintenance and operation of electric facilities throughout Tuolumne County. However, the Commission's Decision No. 30463 of January 3, 1938, granting a certificate to exercise that franchise, excepted the territory being served by Turn Back Creek Light and Power Company. Therefore, the order herein made will amend said Decision No. 30463 to eliminate such restrictive provision.

O R D E R

A hearing having been had on the foregoing applications, the matters considered, and the Commission being of the opinion that the applications should be granted,

IT IS HEREBY ORDERED as follows:

1. West Side Lumber Company may cause the dissolution of Turn Back Creek Light and Power Company, and upon such dissolution, may convey to Pacific Gas and Electric Company all the rights, properties, and facilities theretofore possessed by Turn Back Creek Light and Power Company as described in the agreement of sale dated March 15, 1946, a copy of which is filed as Exhibit "A" to each application herein, and, upon the dissolution of Turn Back Creek Light and Power Company and the conveyance of said properties by West Side Lumber Company as herein authorized, said West Side Lumber Company may cease furnishing and supplying electric service.

2. Pacific Gas and Electric Company may purchase from West Side Lumber Company the electric properties herein above mentioned and may, upon acquisition thereof, immediately withdraw and cancel the filed electric tariff schedules of Turn Back Creek Light and Power Company, and shall file and make effective in the

territory theretofore served by Turn Back Creek Light and Power Company the rates, rules and regulations of Pacific Gas and Electric Company contained in its filed electric tariffs effective in unincorporated territory in its Stockton division.

3. Pacific Gas and Electric Company, upon acquisition of the electric properties herein mentioned, is hereby authorized to exercise that certain franchise granted by the Board of Supervisors of Tuolumne County in Ordinance No. 133, within and about the town of Tuolumne being served by Turn Back Creek Light and Power Company, and the restriction contained in the Commission's Decision No. 30463 in Application 21357 is hereby removed.

4. Pacific Gas and Electric Company, within sixty days after the acquisition of said properties, shall file with the Commission a copy of the instrument under which it acquires and holds title thereto.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 30 day of July, 1946.

Justus F. Cameron  
Francisco

Earl Fawcett

Harold P. Kula

Commissioners.