

ORIGINAL

Decision No. 28616

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
The Southern Sierras Power Company,
The Nevada-California Power Company
and the Nevada-California Electric
Corporation for an order authorizing
the first two-mentioned petitioners
to assign, grant and transfer to the
last named petitioner all of their
lines, plants, systems, properties,
franchises, assets and rights.

Application
No. 20349

SUPPLEMENTAL OPINION AND ORDER

By Decision No. 28616, dated March 9, 1936, the Railroad Commission authorized The Southern Sierras Power Company and The Nevada-California Power Company to transfer their assets to The Nevada-California Electric Corporation, now known as California Electric Power Company. Paragraph 8 b of the Commission's order in Decision No. 28616, reads as follows:

"8. b. That The Nevada-California Electric Corporation will credit monthly its depreciation reserve with an amount that reasonably represents the accruing depreciation on its electric properties, and will each month transfer to Account No. 123, "Depreciation fund", a sum of cash equal to the accruing depreciation on its electric properties situate in California, and use the monies in said depreciation fund, unless otherwise authorized by the Commission, only to replace electric properties situate in California, and/or to acquire new properties situate in California and/or to pay the cost of additions and betterments to electric properties situate in California."

In a supplemental application filed in the above-entitled matter on September 10, 1946, California Electric Power Company has requested the Commission to vacate said Paragraph 8 b.

During the time that has elapsed since Decision No. 28616 became effective, the company has filed monthly reports with the Commission which show that its expenditures for electric plant in

California have exceeded, by a substantial amount, its accruals for depreciation applicable to California and that consequently there have been no monies accumulated in the depreciation fund referred to in said paragraph. A review of the company's financial reports shows that since 1936 it has refunded its outstanding preferred stocks and bonds through the issue of lower interest and dividend bearing securities, and has cancelled some of its outstanding common stock and that as a result of these transactions and a growth in business, its financial condition has been greatly improved since the issuance of Decision No. 28616.

The Commission, after consideration of this matter, is of the opinion that the company's request should be granted. However, the order herein should not be construed as a finding of value of the company's properties or of the adequacy of its monthly charges for depreciation or its reserve for depreciation. In making the order the Commission reserves the right to consider these matters de novo should they be involved in any future proceeding, therefore, good cause appearing,

IT IS HEREBY ORDERED that Paragraph 8 b of the order in Decision No. 28616, dated March 9, 1936, be and it hereby is vacated and set aside.

Dated at Los Angeles, California, this 1st day of

October, 1948.

Harold P. Hule
Justus F. Cameron

A. B. [Signature]
Commissioners