

Decision No. 44681

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of CALIFORNIA ELECTRIC
POWER COMPANY and BORAX CONSOLIDATED
LIMITED for authority to sell and
purchase electric facilities.

Application No. 31564

O P I N I O N

California Electric Power Company filed this application July 7, 1950, requesting an order authorizing it to carry out the terms of an agreement made with Borax Consolidated Limited, dated June 15, 1950, under which applicant will sell three substations and two appurtenant 33 kv lines presently used for supplying electric service to said Borax Consolidated Limited in the vicinity of Boron, Kern County, California. By acquiring such facilities, purchaser will be enabled to obtain a lesser cost of electric service by reason of the high-voltage discount provided in applicant's filed tariffs. A copy of the agreement, marked as Exhibit "B," is attached to and made a part of the application.

Applicant has for some time been delivering electricity over and through the lines and facilities proposed to be sold to said Borax company and, in addition, to one other customer, an employee of the Borax company. Said customer is now being served from Suckow Substation, part of the facilities to be sold, and such service is to be continued until the Borax company revokes permission to render such service through its facilities. The customer by signed agreement has consented to such an arrangement.

The agreement under consideration provides for the sale, for a sum of \$39,943 plus sales tax of \$256.32, of real and personal property located in Kern County, as specifically set forth in said agreement, such property essentially consisting of two parcels of land and the electric substation facilities (known as Substation No. 1 and Substation No. 2) now installed thereon, one electric substation (known as Suckow Substation) now installed on the land of the purchaser, and a 33 kv electric line running between said Substation No. 1 and Substation No. 2. The purchase price is based upon original cost of the property less the reserve for depreciation of the property, and will be paid by installments consisting of \$30,199.32 at the time of execution of the agreement and by payments of \$2,000 on the first day of August, September, October, November, and December, 1950.

The Borax company has been billed for electric service under regularly filed tariffs of the applicant under three separate meter arrangements, one meter under Schedule C-2 and two meters under Schedule P-2. These schedules contain provisions for discounts to be applied to bills for service delivered at high voltages. Neither schedule permits meter readings presently to be combined for billing purposes. It will, therefore, be to the purchaser's advantage to receive all its service at one point and through one meter arrangement so as to enable it to receive the appropriate high-voltage discount and single billing as set forth in applicant's general wholesale power service rate P-2. It seems apparent that, under such tariff provisions, the Borax company could rearrange its own facilities or build its own lines to a single point of delivery, thereby enjoying said advantage. Such a course on the part of the Borax

company would, of course, leave applicant with portions of unloaded lines and facilities which it would continue to operate and maintain for little or no direct return, or which it might abandon. It, therefore, appears to be to the advantage of applicant and its other utility customers for it to sell the affected facilities to its customer, the Borax company. It is our opinion, therefore, that the granting of the authority requested will not be contrary to the public interest and should be granted.

O R D E R

The Commission having considered the above-entitled application and being of the opinion that a public hearing thereon is not necessary,

IT IS HEREBY ORDERED that California Electric Power Company be and it is authorized to sell to Borax Consolidated Limited the properties described in the agreement on file in this application as Exhibit "B" and to carry out the terms of said agreement as set forth therein.

IT IS HEREBY FURTHER ORDERED that within thirty (30) days after the transfer of said properties, California Electric Power

Company shall file with this Commission a certified copy of the bill of sale transferring title to said Borax Consolidated Limited.

The effective date of this order shall be twenty (20) days after the date hereof.

Dated at San Francisco, California, this 22nd day of August, 1950.

R. E. Dunning
Justice J. C. C. C.
Shast. F. C. C.
Harold P. Huls
Therese H. Potter
Commissioners.