

Decision No. 44883

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
SAN GORGONIO ELECTRIC CORPORATION for	:	
an order authorizing it to sell all its)	
power plants, system and properties;	:	Application
and Application of CALIFORNIA ELECTRIC)	No. 30472
POWER COMPANY for an order authorizing	:	
it to acquire the same and to issue stock)	
in payment therefor.	:	
-----)	

FIRST SUPPLEMENTAL ORDER

By Decision No. 43377, dated October 11, 1949, the Commission authorized San Gorgonio Electric Corporation to sell and transfer its properties to California Electric Power Company. In the application, the purchaser had requested the Commission to approve its proposed method of recording the transaction on its books. The Commission, however, in its decision stated that it would consider this request in a supplemental order.

California Electric Power Company has filed copies of its proposed journal entries to record on its books the purchase price of the properties of San Gorgonio Electric Corporation and the distribution thereof to primary plant and other accounts. The entries show that it proposes to distribute to its plant accounts the sum of \$488,829.69, representing the original cost of the properties acquired, and to transfer to its books the reserves for depreciation which had been accumulated by the selling corporation in the sum of \$221,243.07, resulting in a net book value of \$267,586.62. The entries show that the purchase price amounted to \$127,950.12, and that the purchasing company requests it be allowed

to credit to Account 100.5, Electric Plant Acquisition Adjustments, the excess of the remaining book value of the properties over the purchase price, which excess amounts to \$139,636.50. It further requests permission to amortize the \$139,636.50 over a period of 20 years, commencing January 1, 1950, by credits to Account 505, Amortization of Electric Plant Acquisition Adjustments.

An investigation has been made by the staff of the Commission, and the Commission has concluded that an order should be entered granting the company's request; therefore,

IT IS HEREBY ORDERED as follows:

1. The Commission hereby approves the proposed journal entries submitted by California Electric Power Company to record on its books the purchase of the properties of San Geronio Electric Corporation and the distribution of the purchase price to primary plant and other accounts, and hereby authorizes and directs said company, unless and until hereafter otherwise authorized and directed, to amortize the sum of \$139,636.50, which is to be credited to Account 100.5, over a period of 20 years, commencing January 1, 1950, by credits to Account 505, Amortization of Electric Plant Acquisition Adjustments.

2. The action taken herein shall not be construed to be a finding of the value of the properties herein authorized to be transferred. The Commission reserves the right to inquire into the amounts to be charged to plant accounts and credited to reserves for depreciation and electric plant acquisition adjustments should they become issues in any future proceedings, and to direct such further adjustments as may be appropriate.

3. This first supplemental order is effective upon the date hereof.

Dated at San Francisco, California, this 10th day of October, 1950.

R. Z. [unclear]
James J. [unclear]
Lucas T. [unclear]
Harold P. [unclear]
Kenneth Pottel
Commissioners