

ORIGINAL

Decision No. 18068.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the matter of the application of Pacific Gas and Electric Company to sell and Coast Counties Gas and Electric Company to purchase certain pole lines and facilities between, and in the vicinity of, Morgan Hill and Coyote, Santa Clara County.

Application No. 13497.

BY THE COMMISSION:

O P I N I O N

This is the joint application of the Pacific Gas and Electric Company and Coast Counties Gas and Electric Company asking the Railroad Commission to make its order authorizing Pacific Gas and Electric Company to sell and Coast Counties Gas and Electric Company to purchase certain transmission and distribution facilities in the neighborhood of Coyote, Santa Clara County, this property being more particularly described in the agreement, marked Exhibit "A", attached to and made a part of the application.

The proposed transfer not only involves the exchange of properties but accomplishes the withdrawal of Pacific Gas and Electric Company from a territory which is now supplied by both Companies.

The consideration at which it is proposed to transfer the properties is Twenty Thousand Four Hundred (20,400) Dollars. Upon investigation it appears that the proposed transfer price is somewhat in excess of the actual value of the properties.

The Engineering Department of the Railroad Commission estimates the fair exchange value of the properties at Fifteen Thousand (15,000.) Dollars.

The Pacific Gas and Electric Company has but one consumer in this area and this consumer will receive equally good service from the Coast Counties Gas and Electric Company.

Duplication of facilities, which inevitably result when two or more utilities are rendering similar service within the same area, is not desirable and is not in the public interest. The sale of the properties involved in this application will tend to avoid such duplication and such sale is, therefore, in the public interest. We believe that the transfer should be authorized subject to the provisions of the following order:

O R D E R

Pacific Gas and Electric Company and Coast Counties Gas and Electric Company having applied to the Railroad Commission for an order authorizing the former to sell and the latter to purchase for the sum of Twenty Thousand Four Hundred (20,400.) Dollars, certain electric facilities located in the County of Santa Clara, and more particularly described in the agreement filed in this proceeding as Exhibit "A", and the Railroad Commission being of the opinion that this is not a matter in which a public hearing is necessary and that this application should be granted as herein provided, therefore,

IT IS HEREBY ORDERED, that

1. Pacific Gas and Electric Company be and it is authorized to sell and Coast Counties Gas and Electric Company to purchase free and clear of all liens and encumbrances those certain

electric facilities in the County of Santa Clara and more particularly described in said Exhibit "A".

2. Coast Counties Gas and Electric Company may charge to fixed capital accounts not more than Fifteen Thousand (\$15,000.) Dollars of the purchase price of the properties, the remainder, if any, of the purchase price shall be charged to Account No.508, Miscellaneous Debits to Profit and Loss.

3. The authority herein granted shall become effective on the date of this order but under such authority no properties may be transferred after June 1, 1927.

DATED at San Francisco, California, this 14th day of March, 1927.

Emerson D. [Signature]
H. B. [Signature]
Chas. [Signature]
Leon [Signature]
Thos. [Signature]

Commissioners.