

Decision No. 21377

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the application of the City of Palo Alto for an order of the Railroad Commission of the State of California, fixing and determining the just compensation to be paid to the Pacific Gas and Electric Company for its gas distributing system in the former town of Mayfield, now City of Palo Alto.

Application No. 14392.

ORIGINAL

Norman E. Malcolm, City Attorney, for Applicant.
Charles P. Cutten for Pacific Gas and Electric Company, Union Trust Company of San Francisco (now Wells Fargo Bank and Union Trust Company), Bankers Trust Company, a corporation, Mercantile Trust Company, a corporation (now American Trust Company) and The National City Bank of New York, a corporation.

DECOTO, COMMISSIONER.

O P I N I O N

This is a proceeding of the first class under Section 47 (b) of the Public Utilities Act in which the City of Palo Alto, hereinafter referred to as the City, asks the Railroad Commission to fix and determine the just compensation to be paid by the City to Pacific Gas and Electric Company, hereinafter referred to as the Company, for certain gas distribution property and rights of the Company, which property and rights are described in the petition of the applicant.

Three estimates of reproduction cost new were introduced in evidence, one by the City, one by the Company, and one by the engineers for the Commission. The Commission engineers offered evidence as to accrued depreciation figured by both the straight line and equal annual cost methods. The Company estimated depreciation upon the sinking fund basis and the

City used the straight line method. Evidence was offered by the Company tending to show the loss of net income which it would suffer by reason of the loss of the property in question, and certain evidence was also offered tending to show the severance damages which the Company would sustain by virtue of the taking of the said properties.

After having given careful consideration to all of the evidence and the briefs submitted by counsel, I recommend that the Commission find as a fact (1) that the just compensation, not including severance damages, which the City should pay to the Company for the property and rights described in the petition of the applicant is the sum of Sixty-three thousand five hundred and 00/100 Dollars (\$63,500.); (2) that the just compensation which the City should pay to the Company for severance damages is the sum of Three Thousand Four Hundred and Thirty-six and 00/100 Dollars (\$3,436.00).

FINDINGS.

The City of Palo Alto, a municipal corporation, having filed with the Railroad Commission on February 1, 1928, a petition as above entitled, and the Commission having issued its order to show cause thereon and having proceeded in accordance with the provisions of Section 47 (b) of the Public Utilities Act to fix and determine the just compensation to be paid by the City of Palo Alto to Pacific Gas and Electric Company for the taking of the property and rights described in said petition, public hearings having been held, the matter having been submitted and briefs filed thereon, and the Railroad Commission being fully apprised in the matter, makes the following findings:

(1) IT IS HEREBY FOUND AS A FACT that the just compensation to be paid by the City of Palo Alto to Pacific Gas and Electric Company for the property and rights described in the above entitled application, filed on February 1, 1928, not including severance damages, is the sum of Sixty-three Thousand Five Hundred and 00/100 Dollars (\$63,500.00).

(2) IT IS HEREBY FOUND AS A FACT that the just compensation to be paid by the City of Palo Alto to Pacific Gas and Electric Company for severance damages after taking the property and rights described in the petition of applicant is the sum of Three Thousand Four Hundred Thirty-six and 00/100 Dollars (\$3,436.00).

(3) IT IS HEREBY FOUND AS A FACT that the total just compensation to be paid by the City of Palo Alto to Pacific Gas and Electric Company for the taking of the property and rights described in said petition of applicant is the sum of Sixty-six Thousand Nine Hundred Thirty-six and 00/100 Dollars (\$66,936.00).

The foregoing opinion and findings are hereby approved and ordered filed as the opinion and findings of the Railroad Commission of the State of California.

Dated at San Francisco, California, this *2nd* day
of *January* 1930.
~~December 1929.~~

Thomas B. Lattin
Albany
Ernest J. ...
Leon ...
M. A. ...

Commissioners.