

Decision No. 2207

ORIGINAL

BEFORE THE RAILROAD COMMISSION
OF THE STATE OF CALIFORNIA

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In the Matter of the Application of)
SOUTHERN CALIFORNIA EDISON COMPANY)
and CITY OF PASADENA for an order)
authorizing the execution of a cer-)
tain agreement for the lease and)
sale of certain electrical distri-)
buting systems.)

Application No. 3666
(Supplemental)

BY THE COMMISSION:

OPINION ON
SUPPLEMENTAL APPLICATION

Southern California Edison Company, hereinafter referred to as "the company", and City of Pasadena, hereinafter referred to as "the city", ask authority to execute a proposed agreement for the purchase and sale of certain electric properties.

In the original petition, filed on April 11th, 1918, petitioners requested authority to execute agreements for the lease and sale of the properties of the company within the City of Pasadena to the City, and the lease and sale of certain of the electric system of the City without the City of Pasadena to the Company. The original agreement also provided for the purchase of power by the City from the Company at a fixed rate.

The Commission in its Decision No. 6012 (Opinions and Orders of the Railroad Commission of the State of California Vol. 16, Page 325), granted authority for the execution of the agreement provided it be modified by the elimination of certain parts relative to the rate to be charged and limitation of obligation to serve within and without the City.

Petitioners have now filed supplemental petition for authority to execute an agreement of sale of electric distribution properties of the company within the City of Pasadena to the City, and the sale of certain of the electric distribution system of the City without its incorporate limits to the Company. No agreement for leasing of properties is included nor for the sale or purchase of electric power.

The agreement provides for the sale by the company to the city, for the sum of \$533,262.33, of the electrical distributing system and equipment owned by the company, situated within the present corporate limits of said City and consisting of the following:

I. LANDS AND IMPROVEMENTS THEREON.

Those certain parcels of land situated in the City of Pasadena, County of Los Angeles, State of California, particularly described as follows, to-wit:

Lots Seventeen (17), Eighteen (18), Nineteen (19), Twenty (20), Twenty-one (21), Twenty-two (22), Twenty-three (23), Twenty-four (24) and Twenty-five (25), of Webster & Stratton's subdivision of the Bayhurst Property, as shown on a map recorded in Book 11, Page 52 of Miscellaneous Records, records of said Los Angeles County;

Also that certain parcel of land bounded on the North by the South lines of said Lots 17, 18 and 20; bounded on the East by a straight line

connecting the Southeast corner of said Lot 17 with the Northeast corner of said Lot 21; bounded on the South by said Lot 21; and bounded on the West by a straight line connecting the Northwest corner of said Lot 21 with the Southwest corner of said Lot 20;

Also that certain parcel of land bounded on the North by said Lot 21; bounded on the East by a straight line connecting the Southeast corner of said Lot 21 with the Northeast corner of said Lot 22; bounded on the South by the North lines of said Lots 22, 23, 24 and 25; and bounded on the West by a straight line connecting the Northwest corner of said Lot 25 with the Southwest corner of said Lot 21;

Also that certain parcel of land bounded on the North by California Street, as said California Street is shown on said map; bounded on the East by said Lots 20, 21 and 25, and by a straight line connecting the Southwest corner of said Lot 20 with the Northwest corner of Lot 21 and by a straight line connecting the Southwest corner of said Lot 21 with the Northwest corner of said Lot 25; bounded on the South by San Pasqual Street (now known as Pico Street), as said San Pasqual Street is shown on said map; and bounded on the West by the Santa Fe Railway right of way.

II. DISTRIBUTING LINES AND EQUIPMENT.

All rights of way, easements and franchises; local distributing substation equipment and tools; poles, towers and accessories; conduits, manholes and equipment; cables and wires; transformers and line devices; service meters; lighting equipment; motors, motor-generator sets, panels, switches and other equipment and installations owned by the Company and loaned or rented to consumers; also all commercial and engineering records used or useful in the location, identification, operation and maintenance of the said distributing system and in furnishing electric service by means of such system;

EXCEPTING THEREFROM, certain substation equipment and small transformers, detailed inventories of which are hereto attached, marked Exhibit "A" and made a part of this agreement;

EXCEPTING ALSO, poles and wires with other necessary appurtenances, comprised in the Company's 15,000 volt transmission lines now situated within said City, and constituting that portion of the Company's 60,000 volt transmission line which is situated in that portion of the City of Pasadena west of the Arroyo Seco;

INCLUDING, HOWEVER, all transmission line poles which at the present time carry distribution lines as well as transmission lines.

It is further provided that the city, for the consideration of the price of \$18,262.33, agrees to sell and convey to the company the electrical distributing system and equipment of the city within the corporate boundaries of the City of South Pasadena described as follows:

DISTRIBUTION LINES AND EQUIPMENT.

All rights of way and easements; poles and accessories; conduits, manholes and equipment; cables and wires; transformers and line devices; service meters; lighting equipment; motors, motor-generator sets, panels, switches and other equipment and installations owned by the City and loaned or rented to consumers; also all commercial and engineering records used or useful in the location, identification, operation and maintenance of said distributing system, and in furnishing electric service by means of said system; EXCEPTING, HOWEVER, the distribution line with its appurtenances, used for serving electrical energy to the Raymond Hotel; and excepting, also, all poles and wires with other necessary appurtenances constituting the 33,000 volt transmission lines maintained by the City within the City of South Pasadena for the purpose of conducting electrical energy between the City of Los Angeles and the City of Pasadena, and excepting also that certain distributing line consisting of poles and wires, located on the South side of Columbia Street, within said City of South Pasadena, which is used for the purpose of serving residents on the North side of Columbia Street within the City of Pasadena and also for street lights and to carry transmission lines; together with all necessary franchise rights for the maintenance and operation of such excepted lines.

The considerations above set forth are based on appraisal of the properties of the company made by Arthur R. Kelley as of December 31, 1916 corrected to March 31, 1920, and the inventory of the city's properties as of March 31, 1920. Any additions or extensions since March 31, 1920 and prior to date of transfer are to be paid by

party to whom transferred at the actual cost of such additions.

The purchase price for the company's properties is to be paid on or before July 15, 1920, provided that on or before that date, bonds of the City in the sum of \$500,000 shall have been authorized by the voters of said city and shall have been issued and sold. The transfer of City's property shall take place concurrently.

The company agrees to relinquish all franchise rights with ⁱⁿthe city except such rights as shall be necessary to enable it to continue service to Pacific Electric Railway Company, and to maintain certain transmission lines through the city.

The city agrees not to serve electricity within the limits of South Pasadena, excepting service to Raymond Hotel, or make further extensions as long as the company or its successors shall continue to serve therein and will not extend to serve in other districts outside its corporate limits, subject, however, to release from such agreement in case the territory to be served is annexed to or consolidated with the City.

It is further agreed, in the event that the City shall extend its boundaries by annexation or consolidation so as to include territory served ~~xxx~~ by the company prior to the year 1933, the company agrees to sell and the city to buy the system of company at a valuation based upon historical cost.

The objectionable feature of the former agreement as to the purchase of power has been eliminated, and no apparent detriment to the public will result from the provisions of the present agreement eliminating competition in

the territory affected. The testimony in the original application, together with the investigations of the Commission's engineers, show that the transfer will result in a material benefit to the City and its consumers. Competition with its resulting losses will be eliminated and an actual increase in income should be experienced. The company has earned a very low return, if any, on its investment in this territory and the transfer will make available to the company funds for investment in more remunerative fields.

O R D E R

Supplemental application having been filed by Southern California Edison Company and City of Pasadena for an order authorizing the execution of a proposed agreement for the transfer of certain electrical distributing systems, and it appearing to the Commission that this application should be granted, and that a public hearing in this matter is not necessary,

IT IS HEREBY ORDERED that Southern California Edison Company and City of Pasadena are hereby authorized to execute an agreement for the sale of certain electric distributing systems, a copy of which contract has been filed with and made a part of the supplemental application and reference to which is hereby made for particulars.

Southern California Edison Company and City of Pasadena are hereby further authorized to carry out the

terms and conditions of said contract by the sale of the
properties therein specifically described.

Dated at San Francisco, California, this

9th day of June, 1920.

Edwin U. Edgerton

W. D. Loveland

James Watson

Commissioners.