

ORIGINAL

Decision No. 34548

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of SACRAMENTO VALLEY UTILITY CO. and PACIFIC GAS AND ELECTRIC COMPANY for an order authorizing Pacific to assume all existing debts, liabilities, and obligations of Sacramento, and authorizing Sacramento to distribute and transfer to Pacific the properties and assets of Sacramento in conformity with the provisions of the agreement herein mentioned.

Application
No. 24390

R. W. DuVal, for Applicants

BY THE COMMISSION:

O P I N I O N

Sacramento Valley Utility Co. and Pacific Gas and Electric Company ask the Commission to enter its order authorizing Pacific Gas and Electric Company to assume all the existing debts, liabilities and obligations of Sacramento Valley Utility Co. and authorizing Sacramento Valley Utility Co. to distribute and transfer to Pacific Gas and Electric Company the properties and assets of Sacramento Valley Utility Co. in conformity with the provisions of the agreement filed in this proceeding as Exhibit "D."

Pursuant to the authority granted by Decision No. 34230, dated May 20, 1941, as amended by Decision No. 34398,

dated July 8, 1941, in Application No. 24102, Sacramento Valley Utility Co. issued 450 shares of common stock of the aggregate par value of \$11,250. Pacific Gas and Electric Company acquired this stock from F. E. Bonner at a cost of \$11,250. It further made available to said F. E. Bonner, \$28,750 to enable him to pay indebtedness of Sacramento Valley Utility Co. These payments were made in compliance with the agreement filed as Exhibit "E" in Application No. 24102.

The balance sheet of Sacramento Valley Utility Co. as of August 8, 1941 shows assets and liabilities as follows:

ASSETS

Cash in Bank (Wells Fargo Bank and Union Trust Co.)	\$	55.37	
Organization Expense		664.42	
Suspense Account		2,050.00	
Franchises and Consents:			
1302 (a) Federal Power Commission Authorizations	\$3,441.67		
1302 (b) State Department of Finance Authorizations	5,273.35		
1302 (c) War Department Cooperation	<u>3,630.60</u>	12,345.62	
Land and Land Rights - Account 1320, Water Rights		2,401.83	
Engineering (Production Plant):			
(a) Water Supply Studies	4,830.27		
(b) Output and Operation Studies	6,835.47		
(c) Investigations and Surveys	7,029.67		
(d) Designs, Plans and Specifications	5,941.27		
(e) Market Investigations and Contracts	<u>2,855.90</u>	27,492.58	
Administrative Account		7,996.00	
Rent Account		2,850.00	
Taxes Account		258.00	
Miscellaneous Expense		<u>27.53</u>	
Total Assets			<u>\$56,141.35</u>

LIABILITIES

Capital Stock - Common (450 Shares)	\$11,250.00
Premium on Capital Stock	335.68
Pacific Gas and Electric Company	<u>44,555.67</u>
Total Liabilities	<u>\$56,141.35</u>

The \$44,555.67 due the Pacific Gas and Electric Company represents the face amount of claims assigned to Pacific Gas and Electric Company. It is these claims that were or are being paid through the expenditure of the \$28,750.

We are in this decision making no finding as to the original cost or value of the assets of Sacramento Valley Utility Co.

Pacific Gas and Electric Company now owns all of the outstanding stock of Sacramento Valley Utility Co. It is of record that there is no reason for the continuance of the Sacramento Valley Utility Co. Its dissolution and the distribution and transfer of its properties to Pacific Gas and Electric Company will result in a unification and simplification of accounting, the preparation and filing of income and other tax returns, and annual and other reports and data required by regulatory agencies and others interested in the construction and operation of the hydroelectric plant mentioned in Decision No. 34230, dated May 20, 1941.

The agreement filed as Exhibit "D" provides that Pacific Gas and Electric Company will assume, pay and discharge all of Sacramento Valley Utility Co.'s debts and liabilities, and will assume, perform and discharge all of the latter's obligations of every kind and character whether they arise out of contract, judgment or tort, or exist under or by force of any law or statute or any municipal or county ordinance or by virtue of the grant and acceptance of any franchise or license. Pacific Gas and Electric Company will release all of its claims, demands or causes of action against Sacramento Valley Utility Co. except only its right to receive on dis-

tribution all assets of Sacramento Valley Utility Co.

Said agreement filed as Exhibit "D" further provides that Sacramento Valley Utility Co. will distribute to Pacific Gas and Electric Company all of its properties and assets of every kind and character.

O R D E R

A public hearing having been held in the above entitled matter before Examiner Fankhauser and the Commission having considered the evidence submitted at such hearing and it being of the opinion that this application should be granted, therefore,

IT IS HEREBY ORDERED that Pacific Gas and Electric Company may assume, pay and discharge all of Sacramento Valley Utility Co.'s debts, liabilities and obligations, and said Sacramento Valley Utility Co. may distribute and transfer to said Pacific Gas and Electric Company its properties and assets, all in conformity with the provisions of the agreement between Pacific Gas and Electric Company and Sacramento Valley Utility Co., dated August 7, 1941, and filed in this proceeding as Exhibit "D."

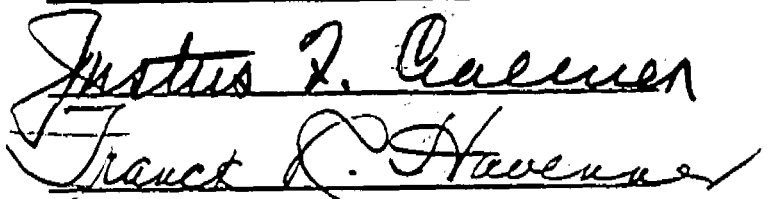
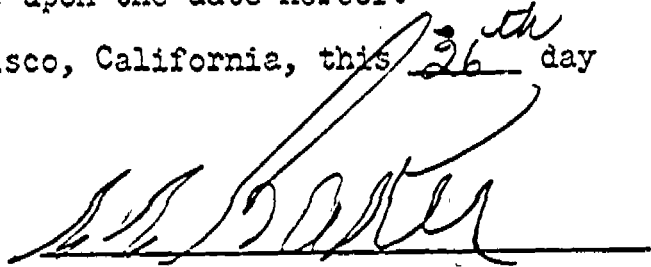

IT IS HEREBY FURTHER ORDERED that upon the distribution and transfer to Pacific Gas and Electric Company of the properties and assets of Sacramento Valley Utility Co., in conformity with the provisions of said agreement of August 7, 1941, Sacramento Valley Utility Co. is relieved of the duties and functions of a public utility corporation.

IT IS HEREBY FURTHER ORDERED that within thirty

(30) days after the distribution and transfer of the properties of Sacramento Valley Utility Co. to Pacific Gas and Electric Company, Pacific Gas and Electric Company shall file with the Railroad Commission a copy of the instrument by which it acquires and holds title to the properties and assets of said Sacramento Valley Utility Co.

IT IS HEREBY FURTHER ORDERED that the authority herein granted will become effective upon the date hereof.

Dated at San Francisco, California, this 26th day of August, 1941.

Commissioners.