

ORIGINAL

Decision No. 46957

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Coast Counties)
Gas and Electric Company, a)
corporation, for authorization)
to sell and convey certain real)
property.)

Application No. 33179

OPINION AND ORDER

Coast Counties Gas and Electric Company in this application requests an order authorizing it to sell its Beach Street property in the City of Santa Cruz subject to the obtaining of a five-year lease on the parcel presently used and useful for its electric substation. A plat of the property is attached to the application as Exhibit No. 1 and applicant states that portion "A", as shown on said plat, is presently occupied by substation equipment, portions "B" and "C" are occupied by a building which was constructed by applicant's predecessors in 1902, portion "B" is no longer operative property since the completion of applicant's Santa Cruz operating headquarters at another location, and portion "C" is used to house certain equipment incidental to operation of the substation. Applicant proposes to retain portion "A" and sell portions "B" and "C", taking back from the purchasers a five-year lease on portion "C". The form of grant deed is attached to the application as Exhibit No. 2 and the form of lease as Exhibit No. 3.

Applicant states that it has negotiated the sale of parcels "B" and "C", accepted the best of three offers, and the price to be paid by the purchasers is \$31,750. Applicant states further that the book cost of land for parcel "B" is \$4,066.76 and the book cost for lands for parcels "A" and "C" combined

is \$738.16. Allocation of the latter amount in proportion to the respective areas gives a book cost of \$400 for parcel "A" and \$338.16 for parcel "C". Accordingly applicant computes the book cost of the land being sold at \$4,404.92 and states that the book value of the building is \$50,362.81. Because of the age of the building, applicant states that there is no question but that provision has been made in its depreciation reserve at least equal to the book cost of said building. Applicant alleges further that the expense of removing the building would be considerably in excess of any salvage and, therefore, applicant proposes to charge to its depreciation reserve the book cost of the building and to credit to surplus the difference between the sale price and the book cost of the land being sold.

Applicant has stated its belief that within five years operating reasons will require it to relocate the substation and facilities remaining on the Beach Street property. In the event that such relocation is not accomplished, applicant states that it will be able to relocate the facilities now on parcel "C" into parcel "A" without difficulty. Thus, applicant has arranged a reservation of right of way for underground cables, conduits and accessories from Beach Street to parcel "A" and has arranged to obtain a five-year lease on the portion of building and land identified as parcel "C". The lease rental for the five-year period is \$3,000, payable in monthly installments of \$50 each.

It appears that the sale of property as proposed herein by applicant will not be adverse to the public interest and that the request of applicant should be granted. The action taken herein shall not be construed to be a finding of the value of

the properties herein authorized to be transferred. It further appears that a public hearing in this application is not necessary; therefore,

IT IS HEREBY ORDERED that Coast Counties Gas and Electric Company be and it is authorized to sell and convey the property described in the form of grant deed attached as Exhibit No. 2 to its application in accordance with terms and conditions substantially as set forth in said form of grant deed.

The effective date of this order shall be twenty (20) days after the date hereof.

Dated at San Francisco, California, this 8th day of April, 1952.

Q. Z. Anderson
President.
James F. Caswell
Harold P. Kule
Francis H. Patten
John L. Mitchell
Commissioners.