

**ORIGINAL**Decision No. 47727

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )	
The California Oregon Power Company )	
for an order authorizing the sale )	Application No. 33495
of Electric Distribution Lines to )	
the City of Ashland, Oregon. )	

OPINION AND ORDER

The California Oregon Power Company, a California corporation operating electric properties in both Oregon and California, and sometimes referred to hereinafter as Copco, by this application requests the Commission (1) to issue its order dismissing this application for lack of jurisdiction over the transaction involved; or, in the alternative, (2) to issue its order herein under Section 851 of the Public Utilities Code, authorizing Copco to consummate the proposed sale of the distribution facilities pursuant to the terms of the agreement filed herein as Exhibit II. The agreement dated February 19, 1952, is with the City of Ashland, Jackson County, Oregon, and covers among other things the sale by Copco and purchase by Ashland of certain distribution lines and facilities located within the City of Ashland. Further detail regarding the agreement will be given below. Section 851 of Division 1 of the Public Utilities Code provides among other things that "No public utility shall sell...the whole or any part of its...system, or other property necessary or useful in the performance of its duties to the public,...without first having secured from the Commission an order authorizing it so to do." It is apparent that the jurisdiction conferred upon this Commission by said Section of the Code was intended not only to assure equitable treatment of customers

who might be directly affected by such a transfer but also to assure that no burden would be imposed upon the remaining customers of the utility who would continue to receive service under the jurisdiction of this Commission. An appropriate order will be issued.

The agreement of February 19, 1952 provides for the sale of Copco and purchase by the City of Ashland of all lines and equipment now owned and belonging to Copco and located within the City of Ashland, with the exception of the Nevada Street Substation of Copco and Copco's lines on Nevada and Oak Streets north from Nevada Street to the city limits. The agreement also provides that the City shall have the right to lease pole space on Copco lines within the city limits and Copco shall have the right to lease pole space on city lines under the same terms, conditions and provisions as may be mutually agreed upon. The facilities, lines and equipment purchased from Copco, which are the subject matter of said agreement, are to be paid for by the City at the price and value established by an inventory and appraisal thereof which has been made by the respective parties thereto, as adjusted and supplemented to the time of such sale, and in any event not less than at the depreciated book value of the property as so established on Copco's books, at such time as it is acquired by the City. The agreement further provides that, upon the payment by the City for each respective unit which is the subject matter thereof, it shall ripen into and become a bill of sale transferring and conveying such specific property unto the City from Copco.

In its application Copco states that the City of Ashland owns and operates its own distribution system and Copco supplies practically all of the City's requirements for electricity at wholesale. It also states that the distribution lines proposed to be sold are within areas recently annexed to the City, that the original cost

by inventory and appraisal as of March 31, 1952 of the property proposed to be sold is \$55,724.96, that the related depreciation is \$6,964.64, leaving the net original cost of said property as \$48,760.32. It states that the property consists of approximately seven miles of pole lines with related customer service facilities and serves approximately 189 customers. The amount to be paid by the City, according to the application, is \$48,760.32. Applicant states that the City desires to go forward with the purchase as soon as possible and has requested that should the Commission find its approval to be required, its order herein be made effective upon the date of issuance.

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 The California Oregon Power Company be and it hereby is authorized to sell and convey to the City of Ashland the property described in the agreement dated February 19, 1952, a copy of which is attached as Exhibit II to its application in accordance with terms and conditions substantially as set forth in said agreement.

IT IS HEREBY FURTHER ORDERED in such other respects as may be necessary that The California Oregon Power Company be and it hereby is authorized to carry out the terms and conditions of said

agreement of February 19, 1952 with the City of Ashland, Jackson County, Oregon.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 24<sup>th</sup> day of September, 1952.

A. J. [Signature]  
President.  
James F. [Signature]  
Harold [Signature]  
Commissioners.