Decision No. <u>47</u>878

## ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of PACIFIC GAS AND ELECTRIC COMPANY, a corporation, and the CITY OF SANTA CLARA, a municipal corporation, for an order of the Public Utilities Commission of the State of California authorizing the former to sell and convey to the latter the electric distribution facilities referred to in this petition, in accordance with the terms of an agreement dated August 12, 1952.

Application No. 33750

## OPINION AND ORDER

The Pacific Gas and Electric Company and the City of Santa Clara, in this application, request an order of this Commission conferring upon Pacific all necessary permission and authority to sell certain electric distribution facilities to the City of Santa Clara and to consummate said transaction in accordance with the terms of an agreement dated August 12, 1952. A copy of the agreement is attached to the application as Exhibit No. 1.

Under the terms of this agreement, Pacific is to sell and convey to City certain electric distribution facilities situated in a certain industrial tract lying in the northern part of said City of Santa Clara. The electric distribution facilities which are to be conveyed are delineated on the map attached to the agreement as Exhibit A, entitled "Sketch Showing Electric Distribution Lines - as of May 23, 1952 - Proposed to be Sold to City of Santa Clara".

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The amount to be paid by City is stated in the agreement as follows: (a) the sum of \$33,563, plus state sales tax of \$1,005.03, (b) the sum of \$618, being the cost to Pacific for all necessary work performed by it in connection with the severance of said facilities from other properties of Pacific, and (c) the actual cost of any additions to and betterments of said facilities made by Pacific subsequent to May 23, 1952, and prior to conveyance of said facilities to said City, together with 15% of said costs, and also the state sales tax applicable to the cost of such additions and betterments.

The agreement provides that it shall not become effective until the Commission by order shall authorize Pacific to carry out its terms. City now owns an electric distribution system by means whereof it furnishes and supplies electric service to many of its residences and inhabitants. In the application Pacific alleges that the furnishing by City to the customers of electric service in the said industrial tract at City's presently effective rates and charges will not result in charging or collecting from said customers of rates or charges in excess of those now paid by said customers for electric service furnished by Pacific.

It appears that City, upon acquisition of the properties which would be transferred under the agreement, is ready and willing to supply electric service to customers now served through said properties by Pacific and that the request of Pacific and City 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.

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The Commission having considered the recuest of applicants and being of the opinion that the application should be granted and that a public hearing is not necessary, and it appearing to the Commission that the proposed transfer of property will not be adverse to the public interest, therefore,

IT IS HEREBY ORDERED that the Pacific Gas and Electric Company be and is authorized to sell and convey to the City of Santa Clara the electric distribution facilities described in the agreement dated August 12, 1952, and Pacific Gas and Electric Company is authorized to consummate such transaction in accordance with the terms of said agreement.

IT IS HEREBY FURTHER ORDERED that Facific Gas and Electric Company, concurrently with the consummation of the sale and transfer to the City of Santa Clara of the properties described above, may cease furnishing and supplying electric service to customers presently served by it by means of said properties and is relieved of the duties and responsibilities of an electric corporation within the area served by means of said properties and lying within the northern part of the City of Santa Clara.

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In the event that the City of Santa Clara does not consummate the purchase of the properties under the agreement of August 12, 1952 within two years after said date the authority granted herein shall expire.

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

Dated at Anthone Sinn, California, this 3rd day of lonenter, 1952.

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