

ORIGINALDecision No. 48674

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 REDDING,)
 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 a contract dated May 4, 1953.)
 (Electric)

Application No. 34397

OPINION AND ORDER

The Pacific Gas and Electric Company and the City of Redding, 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 Redding and to consummate said transaction in accordance with the terms of an agreement dated May 4, 1953. 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 the areas known as Redding Heights and Benton Tract, located in said City of Redding. The electric distribution facilities which are to be conveyed are delineated on the map attached to the agreement as Exhibit A, entitled "Redding Heights and Benton Tract Subdivisions".

The amount to be paid by City is stated in the agreement as (a) the sum of \$85,378, plus state sales tax of \$2,561.34; and (b) the actual cost of any additions to and betterments of said

facilities made by Pacific subsequent to March 16, 1953 and prior to conveyance of said facilities to said City, together with 15 per cent of said costs, and also the state sales tax applicable to the cost of such additions and betterments.

The agreement provides that, subject to the terms and conditions and the alternate plan relating thereto, City shall obtain for Pacific and in its name all necessary rights of way in a form satisfactory to Pacific for the construction, operation and maintenance of a 12-kv tie line from Pacific's existing river crossing to Hilltop and an extension of Pacific's Dix Canyon 12-kv line and shall at its own expense construct for Pacific the aforementioned tie lines as shown on the map attached to said agreement as Exhibit A in order that Pacific may continue service to its customers located outside the corporate limits of the City of Redding. City shall sever all existing connections between the facilities to be sold under said agreement and Pacific's remaining electric system.

If City encounters difficulty in obtaining rights of way for the Dix Canyon tie line, causing delay in transferring title in facilities to be sold, City may, as a temporary expedient pending procurement of said rights of way, install meter equipment on the Dix Canyon line at its intersection with the corporate limits of the City and may maintain the same for a period not to exceed two years from the date of conveyance of said facilities from Pacific to City and Pacific shall deduct from the metered energy for which the City is billed by Pacific all measured energy used in Dix Canyon outside of the said corporate limits of City. If, at the expiration of said two-year period, City is unable to obtain rights of way for said Dix Canyon tie line satisfactory to Pacific, City shall thereupon construct an alternate tie line by replacing the existing poles to be sold to City as indicated on the map attached to agreement as

Exhibit A with higher poles and installing thereon a 12-kv circuit. Upon completion of the installation of this alternate tie line, City shall convey to Pacific all cables or wires, crossarms, insulators and other miscellaneous material of said alternate tie line and shall grant to Pacific one-half free interest in said higher poles of alternate tie line.

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 certain electric distribution systems within the corporate limits of the City of Redding and territory immediately adjacent thereto, by means whereof it furnishes and supplies electric service to many of the residents and inhabitants thereof. Applicants allege that the furnishing by City to the customers of electric service in the said Redding Heights and Benton Tract Subdivisions at City's present effective rates and charges will not result in the changing 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.

The Commission having considered the request 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 it is authorized to sell and convey to the City of Redding the electric distribution facilities described in the agreement dated May 4, 1953, 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 Pacific Gas and Electric Company, concurrently with the consummation of the sale and transfer to the City of Redding 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 Redding Heights and Benton Tract Subdivisions in the City of Redding.

In the event that the City of Redding does not consummate the purchase of the properties under the agreement of May 4, 1953 within two years after said date, the authority granted herein shall expire.

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

Dated at Los Angeles, California, this 9th day of June, 1953.

[Signature]
President
[Signature]
[Signature]
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Commissioners