

ORIGINAL

Decision No. 50610

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
The California Oregon Power Company)	Application No. 35708
for Authority to Sell Certain Elec-)	
tric Properties.)	

OPINION AND ORDER

The California Oregon Power Company, a California corporation operating electric properties in both Oregon and California, by this application seeks an order of this Commission authorizing applicant to sell and convey to the United States of America, Department of the Interior, that portion of its electric transmission Line No. 20 extending westerly from Reston, in Douglas County, to McKinley in Coos County, Oregon, and authorizing the performance of an agreement between the applicant and the Government, dated June 30, 1954, in so far as such authorization may be within the lawful jurisdiction of this Commission. A copy of said agreement is attached to the application as Exhibit C, and by reference made a part hereof.

The agreement shows that the portion of the transmission line, rated at 120 kv, which would be sold by applicant, is approximately 22 miles in length and the Government is to pay for said property \$249,979.61. The agreement provides for transfer of all rights of way, easements, permits, franchises and licenses which applicant now has and which are pertinent to the property to be transferred. Excluded from the transfer are two patrol cabins built on the right of way in the vicinity of Reston and Sitkum, which are to remain the property of the company.

Applicant states that the portion of Line 20 which applicant proposes to sell to the Government has been useful to applicant only as an interconnection at the Government's McKinley switching station. Under a new exchange and transfer agreement between applicant and the Government, effective May 31, 1954, a copy of which was filed with this Commission June 21, 1954, a future interconnection of the facilities of the two parties is provided for at the Government's Reston substation, to be hereafter constructed, instead of at McKinley. Applicant states that the foregoing provision for changing the point of interconnection from McKinley to Reston eliminates any necessity for retaining such segment of Line 20 as part of its system.

The original cost of the aforesaid portion of Line 20 as carried on applicant's books is stated to be \$326,922.50, and related depreciation reserves amount to \$76,942.89 as of June 30, 1954. Applicant estimates that the effect of the sale would be an annual reduction of approximately \$10,000 in applicant's expenses, after federal income taxes, with no reduction in revenues.

From and after the date of the agreement and pending delivery of the deed and bill of sale as provided thereunder the Government is to have access to the property to be sold for the purpose of performing such repairs, improvements and replacements as may be necessary.

It appears that the property in question is no longer necessary in applicant's operations, that the sale of said 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 is hereby authorized to sell and convey to the United States of America, Department of the Interior, acting by and through the Bonneville Power Administrator, the properties described in the agreement of June 30, 1954, a copy of which is attached to its application as Exhibit C, 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 is hereby authorized to carry out the terms and conditions of said agreement of June 30, 1954 with the United States of America.

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

Dated at San Francisco, California, this 5th day of 1 OCTOBER, 1954.

John E. Mitchell
President

Justin S. Cravener

Kenneth Pottel

Deane Higgins

Paul W. Hutcheon
Commissioners