

ORIGINALDecision No. 55842

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 The California Oregon Power Company)
 for Authority to Sell Certain Electric)
 Properties.)

Application No. 39423

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 Pacific Power & Light Company all right, title and interest now held by applicant in that portion of its electric transmission Line No. 12 from the point of connection with the Drain (Cottage Grove) Tap Line northerly to the Alvey substation of the Bonneville Power Administration, all in Lane County, Oregon, and authorizing the performance of an agreement between applicant and Pacific Power & Light Company dated May 27, 1957, 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.

The agreement shows that the portion of the transmission line, rated at 120 KV, in which applicant has an interest and which would be sold by applicant, is 19.49 miles in length, and Pacific is to pay for said interest \$115,930.21. The agreement provides for transfer of all rights of way, easements, and permits which applicant now has and which are pertinent to the property to be transferred. Excluded from the transfer are 1.13 miles of rights of way owned by Bonneville between Line 12 and the Alvey substation and the permit to use said rights of way. Also excluded is the

present one-third interest of Pacific in the rights of way and poles of Line 12 for a distance of 15 miles.

Applicant states that the portion of Line 12 which applicant proposes to sell to Pacific has been useful to applicant solely as a temporary interconnection with Bonneville's substation, although Pacific utilizes portions of the line for underbuild circuits to supply its customers in the area. Applicant states that the interconnection with Bonneville at that particular point is not necessary to applicant's operations and said portion of Line 12 is outside of applicant's service area. Under the terms of an exchange and transfer agreement between applicant and Bonneville effective May 31, 1954, a copy of which was filed with this Commission June 21, 1954, a permanent interconnection of the facilities of the two parties is provided for at a point south of Cottage Grove, Oregon, commencing at the time when Bonneville obtains the right to use all or a part of the capacity of Line 12 by agreement with Pacific. Applicant states that the foregoing provision for changing the point of interconnection from Alvey substation to the present point of connection with Bonneville's Drain (Cottage Grove) Tap Line eliminates any necessity for retaining such segment of Line 12 as part of applicant's system.

The original cost of the aforesaid portion of Line 12, less Pacific's present interest therein, as carried on applicant's books, is stated to be \$167,136.90, and related depreciation reserves amount to \$51,206.69 as of March 31, 1957. Applicant estimates that the effect of the sale would be an annual reduction of approximately \$5,000 in applicant's expenses, after income taxes, with no reduction in revenues.

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 Pacific Power & Light Company the properties described in the agreement of May 27, 1957, a copy of which is attached to its application as Exhibit C, in accordance with terms and conditions as set forth in said agreement.

IT IS 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 May 27, 1957 with the Pacific Power & Light Company.

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

Dated at San Francisco, California, this 19th day of November, 1957.

[Signature]
 President

[Signature]

[Signature]

[Signature]

[Signature]
 Commissioners