

ORIGINAL

Decision No. 56244

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of)
 SACRAMENTO RIVER FARMS, LTD. and)
 PACIFIC GAS AND ELECTRIC COMPANY for)
 an order authorizing, among other)
 things, the former to sell to the)
 latter the electric and water public) Application No. 39573
 utility properties and business)
 herein described.)
)
 (Electric and Water))
)

OPINION AND ORDER

Sacramento River Farms, Ltd.,^{1/} and Pacific Gas and Electric Company,^{2/} California corporations, by application filed November 20, 1957, jointly seek authorization for Seller to sell and transfer, and Buyer to purchase, the public utility water and electric systems operated by Seller in the unincorporated community of Hamilton City, Glenn County. Seller asks to be relieved of all public utility obligations in connection with the operation of its water and electric properties proposed herein to be transferred. Buyer requests that Decision No. 35570 in Application No. 24819 be amended to cancel the provision prohibiting Buyer from exercising the rights and privileges of its county franchise to extend its electric facilities into the territory served by Seller's electric system.

The water and electric utilities proposed to be transferred were established prior to 1912. No certificate of public

^{1/} Sometimes herein called Seller.

^{2/} Sometimes herein called Buyer.

convenience and necessity authorizing their operation has been applied for nor granted by this Commission. According to the application, Seller is furnishing public utility service to approximately 235 electric and 200 water customers.

Under the terms of the agreement dated September 27, 1957, a copy of which is attached to the agreement as Exhibit A, the public utility properties described therein are to be transferred for the consideration of \$63,000 plus additional amounts to reflect the cost of certain additions and betterments, materials and supplies, and State sales tax payable as a result of the sale.

Included in the above-mentioned agreement is the provision that all amounts held by Seller as customers' deposits and advances for construction, (referred to as "refundable deposits for extensions"), shall be paid to Buyer, and that Buyer shall assume such obligations as Seller may have for repayment of such deposits or advances.

Seller's annual report to the Commission for the year 1956, together with other records of this Commission, indicates a gross utility plant as of the end of 1956 amounting to \$91,918 and a depreciation reserve of \$30,494, thus indicating a net utility plant of \$61,424 for the water and electric properties proposed to be transferred.

The reason given for the proposed transfer is that Seller desires to liquidate all of its assets and dissolve its corporate entity. The application states that Seller believes Buyer is in a

position to furnish dependable water and electric service to present and prospective customers in the territory now served by Seller.

Buyer's request that it be relieved of the provision in Decision No. 35570, which prevents it from extending its electric facilities into the territory served by Seller, appears reasonable and will be authorized.

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 above-entitled application and being of the opinion that the proposed transfer will not be adverse to the public interest, that a public hearing is not necessary and that the application should be granted, therefore,

IT IS HEREBY ORDERED that:

1. Sacramento River Farms, Ltd., a corporation, may, on or after the effective date hereon, and on or before July 31, 1958, sell and transfer the public utility properties referred to herein to Pacific Gas and Electric Company, a corporation, substantially in accordance with the terms and conditions set forth in the agreement attached to the application as Exhibit A.
2. Pacific Gas and Electric Company, if it acquires the properties herein referred to, within thirty days thereafter, is authorized and directed to refile under its own name the water and electric rates, rules and tariff service area maps now on file for Sacramento River Farms, Ltd., all in accordance with the procedures prescribed by General Order No. 96, or, in lieu of such refiling, Pacific Gas and Electric Company may file a notice of adoption of said presently filed tariffs. Such revised tariff sheets shall become effective upon five days' notice to the Commission and to the public after filing as hereinabove provided.

3. Sacramento River Farms, Ltd., shall transfer all customers' deposits and advances for construction held by it to Pacific Gas and Electric Company and the latter shall receive and assume the obligation for repayment of all such deposits and advances pursuant to the provisions of paragraph 7 of Exhibit A attached to the application.
4. On or before the date of actual transfer, Sacramento River Farms, Ltd., shall transfer and deliver to Pacific Gas and Electric Company and the latter shall receive and preserve all records, memoranda and papers pertaining to the construction and operation of the water and electric properties of Sacramento River Farms, Ltd.
5. If the authority herein granted is exercised, Sacramento River Farms, Ltd., shall, within thirty days thereafter, notify this Commission in writing of the date of such completion of the property transfer herein authorized and of its compliance with the conditions hereof.
6. Upon due compliance with all the conditions of this order, Sacramento River Farms, Ltd., shall stand relieved of all further public utility obligations and liabilities in connection with the operation of the public utility systems herein authorized to be transferred.

IT IS HEREBY FURTHER ORDERED that:

- a. Upon Pacific Gas and Electric Company's acquiring properties hereinabove authorized to be transferred, ordering paragraph 2 of Decision No. 35570 in Application No. 24819, which restricts Pacific Gas and Electric Company from exercising its rights and privileges granted by Ordinance No. 197 of the County of Glenn to extend its electric facilities into the territory served by the electric system of Sacramento River Farms, Ltd., is set aside and vacated and is of no further force or effect. Except as modified by this order, said Decision No. 35570 shall in all respects be and continue in full force and effect.

- b. The Secretary of the Commission is directed to cause a certified copy of this decision to be filed in Application No. 24819.

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

Dated at San Francisco, California, this 18th day of FEBRUARY, 1958.

E. E. [Signature]
President
Raulo [Signature]
[Signature]
R. Hardy
L. Fox
Commissioners