

Decision No. 57851

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the joint appli-)
 cation of PACIFIC GAS AND ELECTRIC)
 COMPANY and the CITY OF VACAVILLE) Application No. 40661
 for an order authorizing the)
 former to sell to the latter its)
 Vacaville Water System.)

OPINION AND ORDER

By this application, filed December 12, 1958, Pacific Gas and Electric Company,¹ a corporation, seeks authority to sell and convey its Vacaville Water System in Solano County to City of Vacaville,² which joins in the application.

A copy of the proposed transfer agreement, which includes a description of the properties, is attached to the application as Exhibit C. The properties proposed to be transferred include water system facilities, easements and lands.

The agreement provides that the consideration for the transfer is to be \$1,700,000, to which is to be added applicable sales tax in the amount of \$70.96 and the total cost of plant additions, less retirements, during the period from July 1, 1958 to the date of transfer. The voters of the City of Vacaville, at an election held on November 4, 1958, authorized the issue of bonds in an amount sufficient to defray the purchase price of the water system. City is to have the right to purchase from Pacific any or all of materials and supplies applicable to the subject system.

1 Sometimes herein called Pacific.

2 Sometimes herein called City.

Pacific is to retain all accounts receivable and agrees to refund any amounts remaining after each customer's deposit has been applied to the corresponding closing bill. Any existing contracts requiring refunds of water main extension advances are to be assigned to City and City is to assume all of Pacific's obligations under such contracts.

City agrees to assume all public utility obligations of Pacific relating to water service in and in the vicinity of the City of Vacaville.

The original cost of the properties proposed to be transferred is alleged in the application to have been \$1,281,097 as of October 31, 1958, which, with an estimated depreciation reserve of \$124,743, indicates a net utility plant of \$1,156,354.

Commission records indicate that the subject water system was constructed before 1912 and that no certificate of public convenience and necessity has ever been requested of, nor issued by, the Commission. Pacific acquired the system pursuant to authority granted by the Commission in Decision No. 20025, dated July 11, 1928, in Application No. 14229. The application herein states that Pacific now serves approximately 2,545 customers.

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. Pacific Gas and Electric Company, a corporation, may, on or after the effective date hereof, and on or before June 30, 1959, sell and transfer the herein described public utility properties to City of Vacaville pursuant to the agreement attached to the

application herein as Exhibit C. The foregoing authority is conditional upon the following:

- a. That Pacific Gas and Electric Company shall transfer any advances for construction held by it to City of Vacaville, and the latter shall receive and assume the obligation for repayment of such advances pursuant to the provisions of paragraph 12 of Exhibit C attached to the application, and they shall, within thirty days after the date of transfer, jointly file with this Commission certified copies of appropriate instruments showing the names and addresses of all persons or corporations in whose favor such obligations exist and the amounts thereof.
- b. The foregoing requirements of paragraph 1(a) hereof constitute conditions of the authority herein granted.

2. On or before the date of actual transfer, Pacific Gas and Electric Company shall refund all deposits which customers are entitled to have refunded, and within thirty days thereafter, notify this Commission in writing of the completion of such refunding.

3. If the authority herein granted is exercised, Pacific Gas and Electric Company 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.

4. Upon due compliance with all the conditions of this order, Pacific Gas and Electric Company shall stand relieved of all further public utility obligations and liabilities in connection with the operation of the public utility water system herein authorized to be transferred.

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

Dated at San Francisco, California, this 13th day of January, 1959.

E. Lynn Fox
President
W. E. [unclear]
William H. [unclear]
Theodore F. [unclear]
Commissioners