

Decision No. 58356

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of The Application of
California Electric Power Company,
a corporation, for an Order authori-
zing it to Sell, Transfer and Convey
Certain Electric Distribution Lines,
Facilities, Properties and Rights of
Way to the City of Riverside, a
Municipal Corporation.

Application No. 40965

OPINION AND ORDER

California Electric Power Company, by the above-numbered application filed March 23, 1959, requests an order of this Commission to: (1) confer upon applicant all necessary permission and authority to sell and convey to the City of Riverside certain electric facilities located in the City of Riverside, and to consummate said transaction in accordance with an Agreement for Sale and Purchase of Electric Lines, Facilities and Properties dated February 3, 1959, and a Bill of Sale and Instrument of Conveyance; and (2) to authorize applicant, concurrently with the sale and conveyance of the properties involved, to abandon and discontinue the furnishing of electric service to the public within the area involved. A copy of the sale and purchase agreement, Exhibit C, and of the bill of sale, Exhibit D, is attached to the application.

The City of Riverside has recently annexed certain territory along and on both sides of Eighth Street between Chicago Avenue and Canyon Crest Drive in said City, by Annexations Nos. 8 and 9. The City desires to purchase from applicant and the latter is willing to sell to the former, its electric facilities supplying service to 49 customers within the area of said annexations. A map showing the boundaries of Annexation Areas Nos. 8 and 9 is attached to application as Exhibit B.

Applicant states that the original cost of the distribution facilities here under consideration is \$23,315.86, and net book cost is \$19,674.13. The agreement for sale and purchase provides that City shall pay to applicant as the purchase price for said facilities the sum of \$26,426.11, plus sales tax of \$1,057.04, or a total of \$27,483.15, which applicant states is a negotiated sales price based on reproduction cost new depreciated.

Applicant alleges that the furnishing of electric service to the aforesaid customers by City at City's presently effective rates and charges will not result in the charging or collecting from said customers of rates in excess of those now paid by such customers for electric service furnished by applicant.

The agreement for sale and purchase provides that it shall not become effective until approved by order of the Public Utilities Commission of the State of California, and further provides that it shall be subject to such changes as said Commission may direct in the exercise of its jurisdiction.

It appears that City, upon acquisition of the properties herein considered, is ready and willing to supply electric service to all 49 customers now served through said properties and we find that the request of applicant is not adverse to the public interest.

The action taken herein shall not be construed to be a finding of the value of the property herein authorized to be transferred.

The Commission having considered the request of the applicant, and being of the opinion that the application should be granted, and that a public hearing is not necessary, therefore,

IT IS HEREBY ORDERED as follows:

(1) California Electric Power Company may, on or after the effective date hereof, sell, transfer and convey to the City of Riverside, in accordance with the terms of the agreement dated

February 3, 1959, the electric distribution lines, facilities, properties and rights of way described therein.

(2) California Electric Power Company shall, within thirty days thereafter, notify this Commission in writing of the date of such completion of the property transfer herein authorized.

(3) California Electric Power Company, concurrently with consummation of the sale and transfer to the City of Riverside of the property described above, may cease furnishing and supplying electric service to the 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 of Annexations Nos. 8 and 9, along and on both sides of Eighth Street between Chicago Avenue and Canyon Crest Drive in the City of Riverside.

In the event the City of Riverside does not consummate the purchase of the properties under the terms of the agreement of February 3, 1959, 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 San Francisco, California, this 5th day of May, 1959.

E. L. Fox
President
W. E. [unclear]
Michael [unclear]
Theodore [unclear]
Commissioners