

Decision No. 59450**ORIGINAL**

## BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of	)	
THE CALIFORNIA OREGON POWER COMPANY	)	
for an Order Authorizing the Purchase	)	
and Sale of Certain Electric Distribu-	)	
tion Facilities Presently Owned by	)	Application No. 41531
International Paper Company in the	)	
Unincorporated Community of Weed,	)	
Siskiyou County, California.	)	

O P I N I O N

The California Oregon Power Company by the above-entitled application, filed September 29, 1959, requests an order of this Commission under Section 851 of the Public Utilities Code authorizing The California Oregon Power Company to buy and the International Paper Company to sell certain electric distribution facilities serving residences and commercial establishments in Weed (an unincorporated community), Siskiyou County, California. A detail of the facilities to be purchased is set forth in an agreement dated September 10, 1959, attached to and made a part of the application as Exhibit C.

The California Oregon Power Company, hereinafter referred to as Applicant, is an operating utility engaged in the production, transmission, distribution and sale of electricity in Northern California and Southern Oregon, including areas in and contiguous to the unincorporated community of Weed, California. The International Paper Company, hereinafter called International, is a manufacturer of lumber products. Through a merger in 1956, International acquired from its predecessor in Weed the Long-Bell Lumber Company and the Weed Lumber Company.

The facilities which are herein proposed to be sold to Applicant were originally installed and operated to supply electricity to residential and commercial properties for use of lumber company employees, but only as an adjunct to the electric facilities intended primarily to furnish power to the manufacturing plants. Since the founding of the original company-owned community, a residential and business district has grown up along the highways adjacent to and around the original town. All properties, both land and buildings in said residential and business districts are privately owned by individuals or business concerns. Electric service within said district has always been furnished by the Applicant.

International has recently instituted plans for enlarging its lumber manufacturing operations at Weed and desires to reserve the output of its steam generating plant entirely for such operations. It plans to cease owning and operating as much of its non-manufacturing properties within the present company-owned area as possible. It has subdivided the greater part of said area which is occupied by its residential and other non-manufacturing properties, and has dedicated the present streets and alleys therein to public use, according to the maps and dedicatory statements officially filed and accepted by the Board of Supervisors of the County of Siskiyou, California. International plans to sell its residential and commercial properties within the subdivided areas to its own employees or to others.

The distribution facilities to be purchased by the Applicant consist of approximately 32,000 feet, more or less, of electric distribution circuits as described in Exhibits C and D of the application and consist of poles with their appurtenances and attachments, conductors, transformers, services, meters and street

lighting equipment, all in their present condition and at their present locations, having an estimated historical cost of \$60,263 and an estimated depreciation accrual of \$20,014 with an estimated depreciated historical cost of \$40,249. There are approximately 494 customers served from the facilities to be purchased. About \$50,000 in gross annual revenue is expected by the Applicant.

The location of the distribution circuits proposed to be purchased by the Applicant and the circuits and lines presently owned by the Applicant in the vicinity of Weed are shown on the map attached to the application as Exhibit No. E. The purchase price provided for in said agreement is the sum of \$85,000 plus any California sales or other taxes imposed upon the sale or transfer of such electric distribution facilities. The Applicant states in Exhibit D of its application that the present-day reproduction cost estimated by the use of California State Board of Equalization cost factors amounts to approximately \$100,895. International's steam generating plant and mill-site circuits are not included in the proposed sale.

International presently has a two-way contract with Applicant to purchase power from Applicant when needed at a special sawmill industrial rate to supplement power produced at its own steam generating plant.

It appears that the transfer of facilities referred to in this application is in the public interest. It will place the responsibility of rendering electric service to the entire community, both the portion now owned by International and the adjoining privately owned portion, solely upon the Applicant, thus eliminating a confusing situation in a small community in which the present respective service areas are ill defined and in some cases intermingled.

Upon acquiring the property, Applicant agrees to maintain the facilities in accordance with General Order No. 95 and to correct as they arise any hazardous conditions, or any infractions of this Commission's rules for overhead line construction in the facilities proposed to be acquired. The rates which the present customers of International are paying for electric service are very close to what these customers, or future customers, will pay for service under the Applicant's filed rate schedules, and there will be no limitation on the amount of electric service available to these customers as is now the case.

No franchises are included in the proposed acquisition. In unincorporated areas in Siskiyou County, California, Applicant operates under a franchise granted by the Board of Supervisors of the County of Siskiyou, which extends to April 1, 2004. Applicant proposes to operate under said franchise the lines that it proposes herein to acquire. All easements, rights of way, licenses and permits which International may hold, and which are assignable, by which said distribution lines are located on or pass over the property of others and the public streets and highways, will be assigned to Applicant.

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

O R D E R

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

IT IS HEREBY ORDERED that The California Oregon Power Company, on or after the effective date hereof and on or before

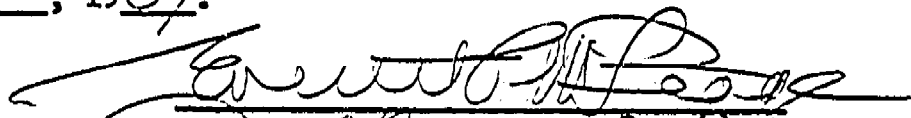
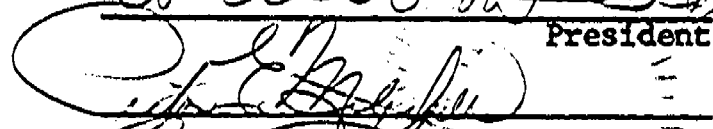
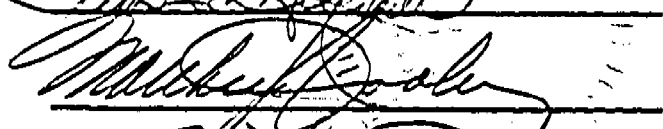
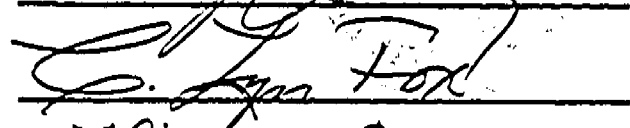
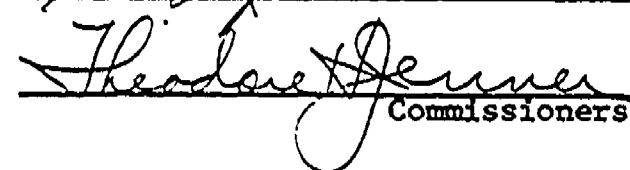
September 10, 1960, is authorized to purchase, acquire, and operate, and the International Paper Company to sell, transfer and convey, the electric distribution facilities in accordance with the terms and agreement dated September 10, 1959, a certified copy of which is attached to the application, with certain parcels of real property described therein and as shown by the map, Exhibit E, attached to the application.

Within thirty days after consummation of the purchase and transfers of the properties, The California Oregon Power Company shall notify this Commission, in writing, of the completion of the property transfer herein authorized.

The acquisition of the properties herein authorized to be transferred shall be accounted for in accordance with the instructions contained under Account 391 - Electric Plant Purchased, as set forth in the Uniform System of Accounts for electrical corporations prescribed by this Commission.

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

Dated at San Francisco, California, this 29th day of December, 1959.

  
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President  
  
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Commissioners