

Decision No. 59580

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
PACIFIC GAS AND ELECTRIC COMPANY and
the CITY OF PALO ALTO, for an order
authorizing the former to sell and
convey to the latter certain electric
distribution facilities in accordance
with the terms of an agreement dated
October 27, 1959.

} Application No. 41723

(Electric)

OPINION AND ORDER

Pacific Gas and Electric Company, hereinafter called Pacific, and the City of Palo Alto, hereinafter called City, in this application filed December 4, 1959, request an order of this Commission to (1) confer upon Pacific all necessary permission and authority to sell and convey to City certain electric facilities located in the City of Palo Alto and to consummate said transaction in accordance with the terms of a sale agreement dated October 27, 1959, and (2) to relieve Pacific, concurrently with the sale, grant and conveyance of the properties involved, of the duties and responsibilities of an electric corporation within the area involved. A copy of the sale agreement is attached to the application as Exhibit No. A.

Under date of August 12, 1957, City, by Ordinance No. 1751, annexed certain unincorporated area known as Bayshore Embarcadero Annexation, and, on November 24, 1958, by Ordinance No. 1815, annexed certain unincorporated area known as Bayshore Embarcadero Annexation No. 2. The City desires to purchase from Pacific, and the latter is willing to sell, the electric distribution facilities in the above-mentioned annexed areas. The electric facilities which are to be conveyed are delineated on the map attached to Exhibit No. A.

The agreement provides that City shall pay to Pacific, as a purchase price for said facilities, upon delivery by Pacific of a proper instrument to City conveying title to said facilities, (a) the sum of \$15,473 plus sales tax of \$618.92, and (b) the total cost of any additions and betterments of said facilities made by Pacific subsequent to May 20, 1959, and prior to the conveyance of said facilities to City, together with 15% of said cost, plus sales tax applicable thereto.

The agreement provides that it shall not become effective until the Commission shall, by its order, authorize Pacific to carry out the terms and conditions contained in the agreement.

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

It appears that City, upon acquisition of the properties which would be transferred under the agreement, is ready and willing to supply electric service to 31 customers now served through said properties and that the request of Pacific and City 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 applicants and being of the opinion that the application should be granted and that a public hearing is not necessary; therefore,

IT IS ORDERED as follows:

1. Pacific Gas and Electric Company may, on or after the effective date hereof, sell and transfer to the City of Palo Alto, in accordance with the terms of the agreement dated October 27, 1959,

a copy of which is attached to the application, the electric distribution facilities described therein and as shown by the map entitled "Area Within Santa Clara County Line Annexed by City of Palo Alto" attached to the application.

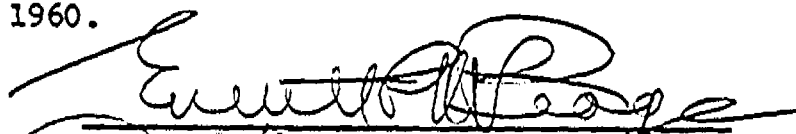
2. Pacific Gas and Electric Company shall, within thirty days thereafter, notify this Commission in writing of the date of such completion of the property transfer herein authorized.


3. Concurrently with the consummation of the sale and transfer to the City of Palo Alto of the property described above, and with the supplying of electric service by the City of Palo Alto, the Pacific Gas and Electric Company 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 areas known as "Bayshore Embarcadero Annexation" and "Bayshore Embarcadero Annexation No. 2" as shown in the application as Exhibit A.


In the event the City of Palo Alto does not consummate the purchase of the properties under the terms of the agreement of October 27, 1959 within two years after said date, the authority granted herein shall expire.

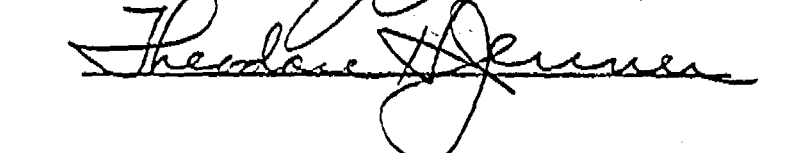
The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 1st day of February, 1960.



President






Commissioners