

ORIGINAL

Decision No. 61402

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)
 September 14, 1960.)
 (Electric))

Application No. 42937

OPINION AND ORDER

Pacific Gas and Electric Company and the City of Palo Alto, by this application filed December 6, 1960, request an order of this Commission to (1) grant and 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 an agreement dated September 14, 1960, and (2) to relieve Pacific, concurrently with the sale and transfer to City of the facilities 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 A.

Under date of January 12, 1959, City, by Ordinance No. 1827, annexed certain unincorporated area known as Foothills Annexation No. 1-A. The City desires to acquire and Pacific is willing to sell the electric distribution facilities located in the Foothills Annexation No. 1-A area. The electric facilities which are to be conveyed are delineated on the map attached to Exhibit A of the application.

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 \$14,151.70 plus sales tax of \$566.07, and (b) the total cost of any additions to and betterments of said facilities made by Pacific subsequent to April 23, 1960, and prior to the conveyance of said facilities to City, together with 15 percent of such 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 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 12 customers now served through said properties.

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, finding that the transfer will not be adverse to the public interest, 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 September 14, 1960, a copy of which is attached to the application, the electric distribution facilities described therein and as shown by the map attached thereto.

