

Decision No. 62079**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 pur-)
 chase and sale of certain electric)
 distribution facilities presently)
 owned by The McCloud River Lumber)
 Company in the unincorporated com-)
 munities of McCloud, Pondosa, and)
 Kinyon, Siskiyou County, California.)

Application No. 43305
 (Filed April 12, 1961)

OPINION AND ORDER

The California Oregon Power Company, in this application, seeks an order authorizing the purchase and sale of certain electric distribution facilities presently owned by The McCloud River Lumber Company serving residences and commercial establishments in the unincorporated communities of McCloud, Pondosa and Kinyou, Siskiyou County, California. Details of the facilities involved are set forth in an agreement dated February 3, 1961, attached to and made a part of the application, as Exhibit C.

The facilities which are herein proposed to be sold to applicant were originally installed and operated by McCloud to supply electricity to residential and commercial properties for use of its employees, but only as an adjunct to the electric facilities intended primarily to furnish power to its lumber products manufacturing plants. All properties, both land and buildings, in said residential and commercial areas are owned by McCloud.

McCloud has recently instituted plans for enlarging its manufacturing operations at McCloud and desires to reserve the output of its reduced steam generating plant for such operations. The facilities, proposed to be sold, include poles, with their appurtenances and attachments, conductors, transformers, services, meters

and street lighting equipment, all in their present condition and at their present locations. The facilities have an estimated historical cost of \$163,287.66 and an estimated depreciation accrual of \$36,589.54 with estimated depreciated historical cost of \$126,698.12. The purchase price provided for in said agreement is \$126,698, plus any California sales or other taxes imposed upon the sale or transfer. McCloud's steam generating plant and the millsite distribution system, extending from the McCloud powerhouse to the various mill operations, are excluded from the proposed sale.

Applicant is presently serving McCloud electric power for its manufacturing operations under applicant's filed Schedule No. 30.

Upon acquiring the property, applicant agrees to correct any hazardous conditions or any infractions of this Commission's rules for overhead line construction in the facilities to be acquired. The rates which the present customers of McCloud are paying for electric service are slightly higher than those they, or future customers, will pay for service under applicant's filed rate schedules. Applicant expects that the facilities proposed to be acquired, with certain improvements in the service rendered, will be capable of substantial business expansion.

Applicant agrees to provide pole facilities for communication circuits, television circuits, fire alarm circuits, watchman reporting circuits, and dry valve reporting circuits and will enter into attachment agreements with the owners of those circuits to permit the continued use of those important facilities.

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 such of the lines that it proposes herein to acquire and which are located upon property owned by McCloud and upon some roads which have been dedicated to public use under such franchise. All easements, rights of way, licenses and permits which McCloud may hold, which are assignable, and pursuant to 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. McCloud will convey to the applicant a right of way, granting to applicant appropriate easements across McCloud's lands for said distribution lines.

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 has considered the request of applicant and finds that the proposed sale will not be adverse to the public interest; that it should be authorized; and that a public hearing is not necessary; therefore,

IT IS HEREBY ORDERED as follows:

1. The California Oregon Power Company, on and after the effective date hereof and on or before December 31, 1962, is authorized to carry out the terms of the agreement dated February 3, 1961, covering the purchase and sale of certain electric distribution facilities presently owned by The McCloud River Lumber Company.

2. Within thirty days after the consummation of the sale 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.

3. The acquisition of the properties herein authorized to be transferred shall be accounted for in accordance with the instructions

contained under Account 102, Electric Plant Purchased or Sold, as set forth in the Uniform System of Accounts for Electrical Corporations prescribed by the Federal Power Commission and adopted by this Commission effective January 1, 1961.

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

Dated at San Francisco, California, this 6th day of June, 1961.

Gerrit W. Ragsdale
President
John E. Mitchell
E. J. Fox
George F. Grover
Fredrick B. Halioff
Commissioners