

**ORIGINAL**

Decision No. 62507

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 HEALDSBURG for an order	)	
authorizing the former to sell and convey	)	Application No. 43618
to the latter the electric distribution	)	
facilities referred to in this	)	
petition, in accordance with the terms	)	
of a contract dated May 29, 1961.	)	
(Electric)	)	

OPINION AND ORDER

Pacific Gas and Electric Company and the City of Healdsburg, by this application filed July 20, 1961, request an order of this Commission (1) granting and conferring upon Pacific all necessary permission and authority to sell and convey to City certain electric facilities located in the City of Healdsburg and to consummate said transaction in accordance with the terms of a contract dated May 29, 1961, and (2) relieving Pacific, concurrently with the sale and transfer to City of the properties involved, of the duties and responsibilities of an electric utility corporation within the areas involved. A copy of the contract is attached to the application as Exhibit A.

The contract provides that Pacific sell to City, certain electric distribution facilities now located or hereafter added thereto up to the time of conveyance by Pacific within the areas known as Solar Terrace Annexation, Powell Avenue Annexation No. 2, and Hidden Acres Annexation, now annexed to City, the location of which facilities as now installed are more particularly shown and delineated on the maps attached to said contract. City has agreed to pay to Pacific as the purchase price for said facilities the sum of \$37,381.05 plus sales tax of \$1,434.52, a total of \$38,815.57. City will also pay to Pacific the actual cost of any additions to and betterments of said facilities made by Pacific subsequent to January 1, 1961, and prior

to the conveyance of said facilities to City, together with 15 per cent of such cost, plus sales tax applicable thereto. The historical cost of these facilities new as of January, 1961, totals \$25,988.00.

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

Pacific alleges that during the 12-month period ended April 30, 1961, it supplied electric service from said facilities to 141 customers, and that the total gross revenue derived from the sale of electricity to said customers during that period amounted to \$13,524.00.

Pacific and City allege that the furnishing of electric service to the customers involved by City at its 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.

There are no line extension deposits and no contributions in aid of construction involved in this sale. Meter deposits made to Pacific by customers to secure payment of charges are not to be transferred with the facilities. Such deposits or balance thereof, will be refunded to said customers by Pacific upon settlement of charges due.

Applicants allege that the contract of May 29, 1961, and all of its terms and provisions are fair, just, and reasonable to the parties thereto; that City intends, upon acquiring such properties, to furnish and supply electric energy to the customers now being served by means of said facilities, and that Pacific and City are desirous of consummating said contract.

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 finds that the transfer will not be adverse to public interest, that the application should be granted, and that a public hearing is not necessary; therefore,

IT IS ORDERED that:

1. Pacific Gas and Electric Company may sell and transfer to the City of Healdsburg, in accordance with the terms of the contract dated May 29, 1961, a copy of which is attached to the application, the electric distribution facilities described therein and shown by the maps attached thereto.

2. Pacific Gas and Electric Company, concurrently with the consummation of the sale and transfer to the City of Healdsburg 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 utility corporation within the areas involved, and City assumes the obligation to serve future electric customers in that area.

3. Pacific Gas and Electric Company shall, within thirty days after such sale and transfer, notify this Commission in writing of the date thereof.


In the event the City of Healdsburg does not consummate the purchase of the property under the terms of the contract dated

May 29, 1961, within two years after said date, the authority granted herein shall expire.

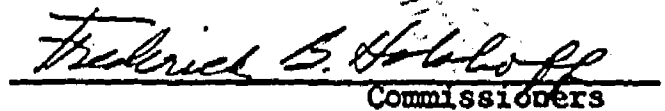
The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 5<sup>th</sup>  
day of SEPTEMBER, 1961.

  
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President

  
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L. L. Fox

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Commissioners

  
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Commissioners