

ORIGINAL

Decision No. 62643

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 SANTA CLARA for an order)
authorizing the former to sell to the)
latter certain electric facilities.)
(Electric))

Application No. 43683

OPINION AND ORDER

Pacific Gas and Electric Company and the City of Santa Clara, by this application filed August 18, 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 Santa Clara and to consummate said transaction in accordance with the terms of a contract dated May 18, 1961, and (2) relieving Pacific, concurrently with the sale and transfer to City of the properties involved, of the duties and responsibilities (including all public utility obligations) of an electrical corporation within the area 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 in the areas known as Saratoga No. 2 Annexation and Saratoga No. 5 Annexation (also known as the Town and Country Subdivision) in the City of Santa Clara. The location of said facilities as now installed are more particularly shown and delineated on the map attached to said contract. City has agreed to pay Pacific as the purchase price for said facilities the sum of \$24,165.30 plus sales tax of \$966.61, a total

of \$25,131.91. City will also pay to Pacific the total cost of any additions to and betterments of said facilities made by Pacific subsequent to June 1, 1959, and prior to the conveyance of the facilities to City, together with 15 percent of such cost, plus sales tax applicable thereto. The historical cost of these facilities new as of August, 1960, totals \$17,394.

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 128 customers, and the total gross revenue derived from the sale of electricity to said customers during that period amounted to \$14,688.

Application states 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 of rates or charges in excess of those now paid by said customers for electric services furnished by Pacific.

There are no line extension deposits, contributions in aid of construction, or meter deposits involved in this sale.

Applicants allege that the contract of May 18, 1961, and all of the terms and provisions are fair, just and reasonable to the parties thereto, and that Pacific and City are desirous of consummating said contract. City intends upon acquiring said properties to furnish and supply electric energy to the customers now being served by means of the properties to be acquired.

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 Santa Clara, in accordance with the terms of the contract dated May 18, 1961, a copy of which is attached to the application, the electric distribution facilities described therein and shown by the map attached thereto.

2. Pacific Gas and Electric Company, concurrently with the consummation of the sale and transfer to the City of Santa Clara of the properties 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 (including all public utility obligations) of an electrical corporation within the area involved, and City assumes the obligation to serve future electric customers in the 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 Santa Clara does not consummate the purchase of the property under the terms of the contract

dated May 18, 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 10th day of October, 1961.

Garrett R. Rye
President

C. J. [unclear]

Fredrick B. Holohoff

Commissioners

Commissioner Peter E. Mitchell, being necessarily absent, did not participate in the disposition of this proceeding.