

ORIGINALDecision No. 62644

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 CALIFORNIA ELECTRIC POWER COMPANY)
 for an order authorizing it to)
 sell certain electric distribution)
 facilities to the United States of)
 America.)

Application No. 43694

OPINION AND ORDER

California Electric Power Company, by the above-entitled verified application filed pursuant to Section 851 of the Public Utilities Code on August 22, 1961, requests an order of the Commission (1) approving the agreement for purchase and sale of applicant's electric facilities within Twentynine Palms Marine Corps Base, (2) authorizing applicant to sell to the United States the facilities described in said agreement, (3) authorizing applicant to discontinue its present service to the housing units within Twentynine Palms Marine Corps Base and (4) granting such other and additional authorization to the applicant herein that may be necessary or advisable. A copy of the purchase and sale agreement, dated June 26, 1961, is attached to the application as Exhibit B. A legal description of the area within which all facilities proposed to be sold are located, is attached to the application as Exhibit C.

Applicant, in 1954, began providing electric service through a single meter and substation to 493 rental housing units located in the Marine Palms Housing Area at Twentynine Palms Marine Corps Base near Twentynine Palms, California. At approximately the same time applicant commenced individually metered service to 100 relocatable housing units located within Twentynine Palms Marine Corps Base. The United States paid applicant for supplying

electricity through the single meter to the 493 units at the Marine Palms Housing Area while the occupants of the 100 relocatable housing units paid for electric service directly to applicant.

In June 1961, the Department of the Navy of the United States announced to applicant its intention to acquire all electric facilities of applicant serving these two housing projects within Twentynine Palms Marine Corps Base. Upon acquisition of applicant's facilities the Department of the Navy will then provide service for the inhabitants of the housing units through a single meter to be provided by applicant for this purpose.

The sales agreement provides that the United States shall pay to the applicant \$32,649.00, as the purchase price of said facilities. This price is based upon reproduction cost new depreciated as of June 27, 1961, in the amount of \$32,022.00 plus \$627.00 for applicant's estimated expenses in removing individual meters and converting to single master metered service. The original cost of the facilities described in the agreement was \$29,683.74 and the net book cost (original cost depreciated) determined on June 27, 1961, was \$25,019.06. There have been no additions or betterments to the facilities since June 27, 1961. Upon payment by the United States to applicant of the sum of \$32,649.00, title to all facilities will vest in the United States.

The sales agreement contemplates the approval of such agreement by this Commission, the assent to the sale by California Water and Telephone Company and release of the properties from applicant's mortgage indentures. It is stated that the assent to transfer of California Water and Telephone Company which was a joint owner as to said structures at the time of execution of the agreement is no longer required since it has ceased to be a joint owner in any poles or structures proposed to be sold.

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 has considered the request of applicant and finds that the transfer will not be adverse to the public interest, that the application should be granted, and that a public hearing thereon is not necessary; therefore,

IT IS ORDERED as follows:

1. California Electric Power Company may, on or after the effective date hereof, sell and transfer to the United States of America in accordance with the terms of the agreement dated June 26, 1961, a copy of which is attached to the application as Exhibit B, the electric distribution facilities serving the housing units located within Twentynine Palms Marine Corps Base.

2. California Electric Power Company shall, within thirty days after such sale and transfer, notify this Commission in writing of the date thereof.

3. Concurrently with the consummation of the sale and transfer to the United States of America of the property described above, and with the supplying of master metered service, California Electric Power Company may cease furnishing and supplying individually metered electric service to the rental units within the Twentynine Palms Marine Corps Base.

In the event the United States of America does not consummate the purchase of the properties under the terms of said

agreement of June 26, 1961, within three 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 10th
day of OCTOBER, 1961.

Charles B. ...
President
C. Lynn ...
George H. ...
Fredrick B. ...
Commissioners

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