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ORIGINAL

Decision No. _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 CALIFORNIA ELECTRIC POWER COMPANY, a
 corporation, for an Order Authorizing
 it to Sell and Transfer Certain Electric
 Substation Equipment, Facilities and
 Properties to Industrial Electrica
 Mexicana S.A. de C.V., a corporation of
 the Republic of Mexico.

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) Application No. 45196
) (Filed February 21, 1963)
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OPINION AND ORDER

California Electric Power Company requests an order authorizing it to sell and transfer certain electric substation equipment, facilities and properties to Industrial Electrica Mexicana S.A. de C.V. (Industrial), a Republic of Mexico corporation. The property proposed to be sold is described in an Agreement for Sale and Purchase of Electric Substation, Equipment and Facilities, dated February 13, 1963 (Agreement) attached to the application as Exhibit B.

The facilities to be sold are known as the Calexico Substation located adjacent to the International Boundary between the United States and Mexico and to the City of Mexicali. Applicant states that the Calexico Substation now and at all times since 1947 has been owned, maintained, operated and used by applicant exclusively for and in connection with the transformation of electricity from 33,000 volts to 4,160 volts, and the export, sale and delivery of electricity at and through said substation to Industrial for distribution and resale by it to the inhabitants and other users of electricity in the City of Mexicali and Mexicali Valley, Baja California, Mexico.

The application states that Industrial is now engaged in the construction of a steam-electric generating plant, which will enable it to provide and have its own electric generating facilities and independent source of electric supply within the State of Baja California, and is scheduled to commence operation on or about June 30, 1963. Upon this date, applicant's obligation to sell, furnish and deliver electricity to Industrial, and Industrial's obligation to purchase and take electricity from applicant, through Calexico Substation will terminate and be permanently discontinued.

The application further states that from and after discontinuance of the sale and delivery of electricity to Industrial at and through the Calexico Substation there will be no customers of applicant in the State of California or elsewhere who will obtain electricity and service at or through this substation, and there will be no further necessity or requirement for said substation, and operation and use of the substation will be permanently discontinued and abandoned by applicant. Calexico Substation and the equipment, facilities and properties therein are located wholly within the electric service territory of Imperial Irrigation District, Imperial County.

The application states that Calexico Substation is the source of electricity for distribution and resale by Industrial in the commercial and business section of the City of Mexicali, and upon termination of the sale and delivery of electricity by applicant to Industrial it will become necessary for Industrial to provide and construct a new electric substation on the Mexican side of the International Boundary, or purchase, dismantle and move applicant's Calexico Substation and equipment, facilities and properties from their present location to the Mexican side of the boundary and connect to the electric distribution system of Industrial in the City of Mexicali. It is stated that the purchase and removal of said

substation is more advantageous and of greater benefit to both applicant and Industrial because Industrial can acquire the substation at a lower cost than the construction of a new substation and applicant will gain more from the sale and disposal of its Calexico Substation as located and in place than would be realized if dismantled and salvaged.

The original (installed) cost of said substation equipment, facilities and properties proposed to be sold and transferred by applicant to Industrial is stated to be \$119,247.37 and the net book (installed) cost thereof is \$94,662.37. The negotiated sales price agreed to be paid for the equipment, facilities and properties in place is \$70,000, plus \$2,800 sales tax. Applicant states that the above sales price will result in an estimated net book profit of \$9,429.38 over the amount which would be realized if the substation and facilities were salvaged.

The action taken herein shall not be construed to be a finding of the value of the property herein authorized to be sold and transferred.

The Commission finds that the proposed sale described in this application will not be adverse to the public interest and concludes that the application should be granted. A public hearing is not necessary.

IT IS HEREBY ORDERED that:

1. California Electric Power Company may sell and convey to Industrial Electrica Mexicana S.A. de C.V. the electric facilities described in this application in accordance with the terms of the agreement dated February 13, 1963, a copy of which is attached to the Application as Exhibit B.

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

the date thereof, and within said period shall file with the Commission a true copy of any bill of sale or other instrument of transfer which may be executed to effect said sale and transfer.

3. California Electric Power Company shall account for the sale of the property described in this application in accordance with the provisions of the Uniform System of Accounts applicable to Class A electrical corporations.

4. In the event Industrial Electrica Mexicana S.A. de C.V. does not consummate the purchase of the property under the terms of the agreement dated February 13, 1963, within two years after said date, the authority herein granted shall expire.

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

Dated at San Francisco, California, this 9th day of APRIL, 1963.

George W. Hoover
President

John W. Madill

Walter W. Page

Frederick B. Hallock

William W. Bennett
Commissioners