

**ORIGINAL**Decision No. 65405

## BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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|---|-----------------------|
| In the matter of the application of )   |                       |
| PACIFIC GAS AND ELECTRIC COMPANY and )  |                       |
| the CITY OF SANTA CLARA for an order )  | Application No. 45319 |
| authorizing the former to sell to the ) | (Filed April 5, 1963) |
| latter certain electric facilities. )   |                       |
| (Electric) )                            |                       |

OPINION AND ORDER

Pacific Gas and Electric Company requests authority to sell and convey to the City of Santa Clara, applicant's electric distribution facilities located in the areas known as Lee Anderson Tracts Nos. 660, 828 and 1477 in accordance with the terms of an agreement dated January 16, 1963 (January 1963 agreement). A copy of this agreement is attached to the application as Exhibit A.

The agreed consideration is \$3,435.00 plus sales tax of \$137.40, or a total of \$3,572.40 and the total cost of any additions to or betterments of facilities made by applicant subsequent to October 25, 1961 and prior to the conveyance of said facilities to the City of Santa Clara, together with 15 percent of such costs plus sales tax applicable thereto. The current ad valorem taxes for the tax year in which the facilities are conveyed are to be prorated as of the date of conveyance. The estimated historical cost new of these facilities is stated to be \$2,604.00 as of October, 1961.

It is alleged that the City of Santa Clara is the owner of certain electric distribution systems located within the city; that by means thereof it supplies electric service to many residents

thereof; that the electricity furnished is purchased from applicant; that the properties which applicant proposes to sell are situated in an area which has been annexed to the City of Santa Clara; that the City of Santa Clara is desirous of acquiring said facilities; that during the 12-month period ended December 31, 1962, applicant served 20 customers within the area herein considered and derived therefrom the amount of \$2,226.33 in gross revenue. There are no line extension deposits or contributions in aid of construction involved in this sale. Applicant is holding one meter deposit which is subject to refund in accordance with applicant's rules. The City of Santa Clara upon acquisition of the property agrees to assume all public utility obligations of applicant for the territory served from these facilities and specifically for service to the present customers served from said facilities in addition to any future customers added by applicant prior to the conveyance of said facilities to the city.

The January 1963 agreement provides that it shall not become effective until this Commission shall, by its order, authorize applicant to carry out the terms and conditions contained therein.

Applicant alleges that the furnishing of electric service by the City of Santa Clara 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 customers for electric service furnished by applicant.

After consideration the Commission finds that the proposed sale would not be adverse to the public interest. A public hearing is not necessary.

## IT IS ORDERED that:

1. Pacific Gas and Electric Company is authorized to sell and convey to the City of Santa Clara the electric distribution facilities described in the agreement dated January 16, 1963, attached to the application as Exhibit A, and to consummate said transaction in accordance with the terms of said agreement.

2. Pacific Gas and Electric Company, concurrently with the consummation of sale and transfer to the City of Santa Clara of the property described above, shall cease furnishing and supplying electric service to customers presently being served by it by means of said property and is relieved of the duties and responsibilities of an electrical corporation within the area involved.

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

4. Upon settlement of charges due, Pacific Gas and Electric Company shall refund all customers' deposits and advances which are subject to refund.

5. The authority granted herein shall expire in the event that the City of Santa Clara does not consummate the purchase of the property under this agreement of January 16, 1963, within two years after said date.

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

Dated at San Francisco, California, this 21<sup>st</sup> day of MAY, 1963.

George J. Brewer  
President  
Fredrick B. Holbrook  
William M. Bennett

Commissioner Everett C. McKeage, being necessarily absent, did not participate in the disposition of this proceeding.

Commissioners