

ORIGINAL

Decision No. 67184

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 PACIFIC GAS AND ELECTRIC COMPANY and)
 CITY OF UKIAH for an order author-)
 izing the former to sell to the lat-)
 ter certain electric facilities, in)
 accordance with the terms of a Sales)
 Agreement dated December 23, 1963.)
 (Electric))

Application No. 46285
 Filed March 13, 1964

OPINION AND ORDER

Pacific Gas and Electric Company and the City of Ukiah request authorization for Pacific to sell and convey to City, certain electric distribution facilities generally located in the northern and southern sections of the City of Ukiah, in accordance with the terms of an agreement dated December 23, 1963. A copy of this agreement is attached to the application as Exhibit B.

The agreed consideration is \$277,000 plus sales tax of \$11,080, and the total cost of any additions to or betterments of facilities made by Pacific during the period from December 31, 1960 to and including the effective date of conveyance to City, together with applicable sales taxes, less the appraised value of retired facilities. City further agrees to reimburse Pacific for the estimated cost to Pacific for all necessary work performed by it in connection with the severance, if any, of additions and betterments made by it subsequent to December 31, 1960. The current ad valorem taxes for the tax year in which the facilities are conveyed are to be prorated as of the effective date of conveyance as provided in the agreement. The estimated historical cost new of these facilities is stated to be \$191,056 as of November 1960.

It is alleged that City 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 Pacific. The customers served by the facilities to be conveyed to City and the facilities themselves are located within the corporate limits of the City of Ukiah and City is desirous of acquiring said facilities. During the 12-month period ended December 31, 1963, Pacific alleges that it served 805 electric customers from the facilities and derived therefrom the amount of \$240,057.65 in gross revenue. There are no line extension deposits, or contributions in aid of construction involved in this sale. Pacific is holding 52 customers' meter deposits. These deposits, or balance thereof, are to be refunded by Pacific upon settlement of charges due.

The agreement provides that Pacific shall retain ownership of the right to use the poles, fixtures, conductors, devices and associated apparatus, comprising its so-called "through lines," as shown on the map titled "PG&E Co. Thru Lines as of Effective date of Conveyance" designated Exhibit B of the Sales Agreement. These lines are located within and pass through the limits of City and are used by Pacific in the supply of electric service to customers of Pacific in Mendocino County at locations outside the corporate limits of City.

The application states that City agrees, upon the effective date of conveyance, to undertake the sale and distribution of electric service to all customers then served by Pacific within the limits of City and City shall assume as of that date any and all public service obligations resting upon Pacific, and shall assume all of Pacific's obligations under any contracts, leases, permits, licenses, grants of right-of-way or other conveyances transferred to City.

The agreement provides that it shall not become effective until this Commission shall have granted its authorization for the terms and conditions therein specified to be carried out without qualifications deemed objectionable by either party.

Applicants allege that the furnishing of electric service 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 customers for electric service furnished by Pacific.

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 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 Ukiah the electric distribution facilities described in the sales agreement dated December 23, 1963, attached to the application as Exhibit B, and to consummate said transaction in accordance with the terms of said agreement.

2. Pacific Gas and Electric Company shall, concurrently with the consummation of sale and transfer to the City of Ukiah of the property described above, 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 incorporated limits of the City of Ukiah as they existed in December, 1960.

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

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

5. Pacific Gas and Electric Company shall, within thirty days after the consummation of the sale and transfer, furnish this Commission the total costs of any additions and betterments of the facilities involved and made by Pacific subsequent to December 31, 1960, to and including the effective date of conveyance of said facilities to City, plus sales tax applicable thereto.

6. The authority granted herein shall expire in the event that the City does not consummate the purchase of the property under this agreement of December 23, 1963, within two years from the date hereof.

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

Dated at San Francisco, California, this 13th day of May, 1964.

William G. Bennett
President
Frederick B. Holoboff
Everett W. Boyd
George J. Trover

Commissioners

Commissioner Frederick B. Holoboff, being necessarily absent, did not participate in the disposition of this proceeding.