

Decision No. 67205

ORIGINAL

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 REDDING, for an order)
 authorizing the former to sell and)
 convey to the latter certain electric)
 distribution facilities in accordance)
 with the terms of an agreement dated)
 February 26, 1964.)
 (Electric)

Application No. 46508
 (Filed April 14, 1964)

OPINION AND ORDER

Pacific Gas and Electric Company and the City of Redding request authorization for Pacific to sell and convey to City, certain electric distribution facilities located in an area known as South City Annexation No. 1 in the City of Redding, in accordance with the terms of an agreement dated February 26, 1964. A copy of this agreement is attached to the application as Exhibit A.

The agreed consideration is \$161,926.00 plus sales tax of \$6,477.04, for a total of \$168,403.04 and the total cost of any additions to and betterments of facilities made by Pacific subsequent to July 24, 1963, and prior to the conveyance of said facilities to City 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 \$140,107.00 as of July 1963.

It is alleged that City is the owner of certain electric distribution systems located within the City by means of which it supplies electric service to many residents thereof. The properties

which Pacific proposes to sell are situated in an area which has been annexed to City and City is desirous of acquiring said facilities. During the 12-month period ended January 31, 1964, Pacific served 504 electric customers within the area herein considered and derived therefrom the amount of \$159,514.12 in gross revenue. There are no line extension deposits or contributions in aid of construction involved in this sale. Pacific is holding 58 customers' meter deposits. These deposits, or the balance thereof, are to be refunded by Pacific upon settlement of charges due.

City, upon acquisition of the property, agrees to assume all public utility obligations of Pacific 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 Pacific prior to the conveyance of said facilities to City.

The agreement provides that it shall not become effective until this Commission shall, by its order, authorize Pacific to carry out its terms and conditions.

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 Redding the electric distribution

facilities described in the agreement dated February 26, 1964, 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 shall, concurrently with the consummation of sale and transfer to the City of Redding 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 area involved.

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 July 24, 1963, and prior to the conveyance of said facilities to City plus sales tax applicable thereto.

6. The authority granted herein shall expire in the event that the City of Redding does not consummate the purchase of the

property under this agreement of February 26, 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 14th day of MAY, 1964.

William J. ...
President
...
George T. ...
Fredrick B. Holdoff
Commissioners