

ORIGINAL

Decision No. 67762

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 SANTA CLARA for an order)
authorizing the former to sell to)
the latter certain electric facilities.)
(Electric)

Application No. 46799
(Filed July 14, 1964)

OPINION AND ORDER

Pacific Gas and Electric Company (Pacific) and the City of Santa Clara (City) request authorization for Pacific to sell and convey to City, certain electric distribution facilities located in the area known as Jefferson No. 2 and Jefferson No. 30B Annexation in the City of Santa Clara, in accordance with the terms of an agreement dated January 16, 1963. A copy of this agreement is attached to the application as Exhibit A.

The agreed consideration is \$3,023 plus sales tax of \$120.92 for a total of \$3,143.92 and the total cost of any additions to or betterments of facilities made by Pacific subsequent to April 19, 1962, and prior to the conveyance of facilities to City, together with 15 percent of such cost, 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 \$2,646 as of April 1962.

The application states 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. The facilities which Pacific proposes to sell are located within the corporate limits of the City of Santa Clara, and City is desirous of acquiring said facilities. Pacific alleges that during the 12-month period ended May 31, 1964, it served three electric customers within the area herein considered and derived therefrom the amount of \$2,102.80 in gross revenue. There are no line extension deposits, meter deposits, or contributions in aid of construction involved in this sale.

City, upon acquisition of the facilities, agrees to assume all public utility obligations of Pacific for the territory 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 the terms and conditions contained therein.

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 the 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 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 shall, concurrently with the consummation of sale and transfer to the City of Santa Clara of the property described above, cease furnishing and supplying electric service to customers 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 may be 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 April 19, 1962, and prior to the conveyance of said facilities to City, together with 15 percent of such cost, plus sales tax applicable thereto.

6. The authority granted herein shall expire in the event that the City of Santa Clara does not consummate the purchase of the property pursuant to the terms of the agreement of January 16, 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 1st day of September, 1964.

Fredrick B. Hillhoff
President
George F. Grover
William W. Davis

Commissioners

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