

ORIGINALDecision No. 68513

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 PACIFIC POWER & LIGHT COMPANY and)
 PACIFIC GAS AND ELECTRIC COMPANY,)
 for an order authorizing the former)
 to sell and convey to the latter)
 certain electric distribution)
 facilities and related rights in)
 accordance with the terms of an)
 agreement dated October 30, 1964.)

Application No. 47108
 Filed November 12, 1964

OPINION AND ORDER

Pacific Power & Light Company (PP&L) and Pacific Gas and Electric Company (PG&E) request authorization of PP&L to sell, convey and transfer to PG&E certain electric facilities located within and in the vicinity of Pondosa, Siskiyou County, together with related permits, easements, and other rights, in accordance with the terms of an agreement, dated October 30, 1964, a copy of which is attached to the application as Exhibit A.

PP&L has agreed to sell and PG&E has agreed to purchase the electric distribution facilities (System) including additions and betterments, within and in the vicinity of the unincorporated community of Pondosa, Siskiyou County. The location of the facilities comprising the System is more particularly described in the agreement dated October 30, 1964 and shown on the map attached to the application as Exhibit C.

The System within and in the vicinity of Pondosa is separated by a distance of 14 miles from PP&L's integrated electric system. The source of power for said System is by purchase from PG&E under PG&E's Tariff Schedule R -- Resale Service.

The buildings and structures in Pondosa are stated to be in part unoccupied as the result of lumbering operations and personnel being moved elsewhere. PG&E is in a position to serve the area through existing transmission facilities and with existing personnel, more advantageously and economically by integrating said System with its existing service facilities which are located immediately adjacent to said System.

The agreed basic price for the System, based on the original cost, depreciated as of December 31, 1963, is stated to be \$13,584.81.

Promptly after the date of conveyance the parties have agreed to make appropriate payments to reflect changes in said System as follows: (a) the actual cost of any additions and betterments, less retirements, to the System made by PP&L between December 31, 1963 and the date of conveyance to PG&E and (b) the depreciation accrued by PP&L with respect to the System for the period December 31, 1963 to date of conveyance, including depreciation accrued on any additions or betterments referred to in (a) above but excluding depreciation accrued on any retirements, which will be computed in accordance with PP&L's standard practice under the uniform system of accounts for electric corporations.

PG&E agrees to pay any sales or use tax found to be due by reason of this transaction. The current ad valorem taxes for the tax year in which the System is conveyed shall be prorated between the parties as of the date of conveyance.

The agreement states that all customer deposits and refundable advances for extensions, together with accrual interest, held by PP&L at the date of conveyance shall be paid by PP&L to PG&E within thirty days thereafter, accompanied by all relevant records.

and agreements. PG&E shall assume PP&L's obligations for settlement of such deposits and advances in accordance with said records and agreements.

The application states that the agreement shall be subject to the approval of this Commission and of any other regulatory agency having jurisdiction over the transaction or the parties thereto.

For the 12-month period ending September 30, 1964, PP&L supplied 381,018 kilowatt-hours of electric service from the facilities involved and derived a total gross revenue of \$8,727.20. As of September 30, 1964, 46 customers were being served.

PG&E proposes to adopt, as to existing customers, rates and charges equivalent to those contained in PP&L's applicable rate schedules. Applicants state that consummation of the agreement will not constitute a burden upon other customers of either party.

No protest in this proceeding has been filed with the Commission.

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 Power & Light Company is authorized to sell and convey to Pacific Gas and Electric Company the electric distribution facilities and related rights described in the agreement dated October 30, 1964, attached to the application as Exhibit A, and to consummate said transaction in accordance with the terms of said agreement.

2. Pacific Power & Light Company shall, concurrently with the consummation of sale and transfer to Pacific Gas and Electric Company 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 Power & Light Company shall, within ninety days thereafter, notify the Commission in writing of the date of such sale and transfer and within said period shall furnish the Commission with a true copy of any bill of sale or other instrument of transfer which may be executed to effect said sale and transfer.

4. Pacific Power & Light Company shall, within ninety days after the consummation of the sale and transfer, furnish the Commission the total costs of any additions and betterments of the facilities involved and made by Pacific Power & Light Company between December 31, 1963, and the date of conveyance of the system to Pacific Gas and Electric Company.

5. Pacific Gas and Electric Company shall account for the acquisition of the property described in this application in accordance with the provisions of the uniform system of accounts applicable for Class A electrical corporations.

6. Pacific Gas and Electric Company shall, within thirty days after the consummation of the sale, file in conformity with General Order No. 96-A, a rate deviation applicable to existing customers in the territory herein involved, reflecting the effective rates of Pacific Power & Light Company as of the date of conveyance of the facilities authorized to be transferred.

7. The authority granted herein shall expire in the event that Pacific Gas and Electric Company does not consummate the purchase

of the property pursuant to the terms of the agreement of October 30, 1964, 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 19th day of JANUARY, 1965.

Frederick B. Hallock
President
John E. Mitchell
George H. Hoover
William W. Bennett

Commissioners