

**ORIGINAL**Decision No. 69028

## 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; and granting to the latter a  
 supplementary or amended certificate  
 of public convenience and necessity.

Application No. 47109  
 (Filed November 12, 1964)

Rives & Rodgers, by Leonard Bennett, for Pacific  
 Power & Light Company; F. T. Searls, John C.  
Morrissey, John B. Gibson, by John B. Gibson,  
 for Pacific Gas and Electric Company, applicants.

Thelma Riordan; James Lee, for themselves, interested  
 parties.

W. E. Waldrop, for the Commission staff.

OPINION AND ORDER

A public hearing on this application was held before  
 Examiner Gillanders at Trinity Center on February 17, 1965, on which  
 date the matter was submitted. Copies of the application and the  
 notice of hearing were served in accordance with the Commission's  
 procedural rules.

Pacific Power & Light Company (PP&L) and Pacific Gas and  
 Electric Company (PG&E) request authorization for PP&L to sell,  
 convey and transfer to PG&E certain electric facilities located in  
 and near the community of Trinity Center, Trinity 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 all of the electric distribution facilities (System) including additions and betterments, except for a diesel generating plant, within and in the vicinity of Trinity Center. 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 agreed basic price for the System, based on the original cost, depreciated as of September 30, 1963, is stated to be \$144,920.63.

The agreement states that all customer deposits and refundable advances for extensions, together with accrued 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.

PG&E proposes to adopt, as to existing customers, rates and charges equivalent to those contained in PP&L's applicable rate schedules.

The reasons given by applicants for requesting authorization to transfer are as follows:

PP&L now is, and for many years has been, operating an electric distribution system extending southerly from Eagle Creek to and including the community of Trinity Center by means of which it supplies electric service to the residents of the area. The electrical system is dependent for its power supply on a 20.16-mile power line operated at 12 kv, which is constructed over difficult mountainous terrain from a point adjacent to Castella, California, to Eagle Creek. The power line is costly and difficult

to maintain and in the severe winter weather is subject to interruption. At times of such interruptions when a supplemental power supply is needed, PP&L operates a small diesel generating plant now installed at Trinity Center. Such generation, as well as the maintenance and upkeep of the diesel plant, is costly. PG&E is in the process of extending its lines in Trinity County northward along the west shore of Trinity Lake, and by continuing to a connection with the System will be in a position, upon completion of such extension, economically and advantageously to furnish a dependable and adequate supply of power to the System. The Castella-Eagle Creek 12 kv power line now maintained by PP&L serves customers within PP&L's service area which extends approximately three miles westerly from Castella. PP&L proposes to continue to operate and maintain approximately three miles of this line to serve these customers. The part of the line approximately 11.9 miles in length westerly from PP&L's Castella service area serves two customers, both under service contracts containing "absolving clauses" as approved by the Commission. One of the customers has indicated a possibility of a substantially increased load upon the reopening of a mining operation. The remaining part of the line approximately 5.2 miles in length to Eagle Creek serves no customers. Upon consummation of the transaction herein described PP&L proposes to abandon, for utility service purposes, that portion of the Castella-Eagle Creek line from a point approximately three miles west of Castella to Eagle Creek but will continue service over said 11.9-mile section pursuant to the existing absolving clause contracts until the matter of additional load is resolved. If no such additional load develops, then PP&L proposes to discontinue such service from said 11.9 miles

of line. Consummation of the transaction herein described and abandonment of said line as hereinabove proposed will enable PP&L to discontinue operation and maintenance of said diesel plant and said 5.2 miles of line and will thereupon relieve it of the expenses attendant to the operation and maintenance thereof. PP&L will also be relieved of the operation and maintenance expense relating to said 11.9 miles of power line thereafter, unless additional load develops to justify continuance of service therefrom.

Applicants state that consummation of the agreement will not constitute a burden upon other customers of either party.

The County of Trinity granted an electric franchise to PG&E by Ordinance No. 257, adopted December 6, 1960, which presently is being exercised by PG&E in the conduct of its utility business in Trinity County pursuant to and in accordance with a certificate of public convenience and necessity granted to it by the Commission in its Decision No. 61882, dated April 25, 1961 (Application No. 43227). Ordering paragraphs 2 and 3 of the decision provide, in part, that PG&E shall not exercise the franchise for the purpose of supplying electric service in those portions of Trinity County then being served by The California Oregon Power Company (predecessor of PP&L), or for the purpose of supplying electric service in those portions of Trinity County not then being served by PG&E except through extensions of its existing systems made in the ordinary course of business pursuant to Section 1001 of the Public Utilities Code. PG&E requests that the Commission grant to it such supplementary or amended certificate of public convenience and necessity as may be necessary for it to exercise the rights and privileges granted by the franchise within those portions of Trinity County which now are, and which through extensions

made in the ordinary course of business hereafter will be, served by means of the System.

PG&E and PPSL have made arrangements whereby PG&E will continue the operation of the diesel plant until such time as actual operating experience indicates that the plant is unnecessary for the rendering of satisfactory service and PG&E will assign an employee to the area to operate and maintain the diesel plant.

Forty-two residents of the area attended the public hearing. A petition containing the names of 123 residents was presented by a spokesman for the residents. Six residents made oral statements on the record, and examination of applicants' witnesses was conducted by the interested parties. The consensus of opinion was that the retention of the diesel plant was necessary and that an employee of PG&E should be located in the Trinity Center area to operate and maintain the plant.

The record shows that during the past year the diesel plant was operated 210 hours, 46 minutes due to PPSL line outages, and that the existing line of PG&E had 342 hours of single-phase operation or down time. The record also shows that the right of way to Trinity Center for PG&E's new line is not completely cleared; that the new line rises to a maximum elevation of 3,000 feet; and that on Federal land the right of way is only 20 feet wide. The record also shows that on occasion Trinity Center has been isolated from Weaverville, PG&E's District Headquarters, for as long as two days due to storms.

Upon consideration of the evidence the Commission finds that:

1. Public convenience and necessity require that the certificate granted to PG&E by Decision No. 61882 be amended as set forth in the ensuing order.
2. The proposed sale would not be adverse to the public interest.

The Commission further finds that until actual operating experience demonstrates that PG&E's service to Trinity Center is adequate, an employee capable of operating and maintaining the diesel plant should be stationed in the Trinity Center area from November 1 through January 31 of each year and that PG&E should not discontinue operation and maintenance of the diesel plant located at Trinity Center without prior Commission authorization. ✓

The action taken herein shall not be construed to be a finding of the value of the property herein authorized to be transferred. ✓

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 September 30, 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.

8. The certificate of public convenience and necessity granted to Pacific Gas and Electric Company by Decision No. 61882, dated April 25, 1961 to exercise the rights and privileges granted by the County of Trinity is hereby amended to include those portions of Trinity County which are now, and which through extensions made in the ordinary course of business hereafter will be, served by means of the facilities authorized herein to be transferred.

9. Pacific Gas and Electric Company shall continue the operation at the Trinity Center diesel plant and shall station a capable employee within the Trinity Center area from November 1 through January 31 of each year to operate and maintain the plant.

10. Pacific Gas and Electric Company shall not discontinue the operation and maintenance of the Trinity Center diesel plant except upon authorization by this Commission.

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

Dated at San Francisco, California, this 11<sup>th</sup> day of MAY, 1965.

*[Signature]* President  
*George F. Grover*  
*[Signature]*  
*Walter H. Bennett* Commissioners

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