

**ORIGINAL**

Decision No. 70733

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of )  
PACIFIC GAS AND ELECTRIC COMPANY and )  
YUBA COUNTY WATER AGENCY for an order )  
authorizing the former to sell to the )  
latter certain electric utility and )  
water utility properties. )

Application No. 48469  
(Filed May 13, 1966)

(Electric)

OPINION AND ORDER

Pacific Gas and Electric Company (Pacific) and Yuba County Water Agency (Yuba) request an order of this Commission granting Pacific authority to sell and convey to Yuba certain lands and electric facilities located in Yuba County.

Yuba was created by and pursuant to the California Water Code Act 9407 (California Statutes 1959 ch. 788, page 2780) for the development and promotion of the beneficial use and regulation of water resources of Yuba County, and was licensed by the Federal Power Commission to construct and develop hydroelectric power facilities in connection with the construction and operation of its projects for water storage and irrigation development.

Yuba proposes to exercise the powers granted, as described above, in what is known as the Yuba River Development. In the exercise of said powers Yuba proposes to acquire from Pacific certain electric facilities and lands, which will be inundated or otherwise impaired in value, along with certain other land and water rights and Pacific will assign to Yuba certain contracts.

Yuba and Pacific have entered into a letter agreement dated May 12, 1966 which is attached to the application, marked Exhibit C, whereby Yuba will pay Pacific \$8,700,000 for the acquisition of the properties to be conveyed. The execution of the

Sale Agreement attached to said Exhibit C shall occur as soon as surveys and descriptions of the lands involved are completed. Said Sale Agreement shall become effective on the date of execution.

The book cost of the facilities and properties to be sold amounts to \$6,537,171.99. Said costs are more specifically delineated in Exhibit D attached to the application.

Attached to the application as Exhibit A is a map depicting generally the water storage and hydroelectric generating features of the Yuba River Development. Said map also indicates certain facilities of Pacific which would, or the operation of which would, be affected by the construction and operation of the development.

Under the proposed arrangement, Pacific will convey to Yuba existing electric facilities having an installed capacity of 32,500 kilowatts. Yuba proposes to build a new Colgate Power Plant but will operate Pacific's Colgate Power Plant until its new plant becomes fully operable. The application states that Yuba will be obligated to make available to Pacific the entire net output of facilities having an installed capacity of 331,000 kilowatts. The application further states that the conveyance of the properties will not in any way impair Pacific's ability to serve its utility customers, either in the area presently being served by the facilities or elsewhere, and that the proposed project will result in a substantial increase in the amount of generation Pacific will have available to serve its customers. Pacific and Yuba are entering into a power sale contract whereby Pacific will receive all of the net output of Yuba's power plants for a period of 50 years.

Pacific proposes to record the sale of said public utility holdings in accordance with the Commission's Uniform System of Accounts applicable to the properties to be conveyed. Within six months from the date of sale, Pacific will file with the Commission its proposed journal entries for accounting for the transaction.

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 transfer would not be adverse to the public interest and concludes that the application should be granted. A public hearing is not necessary.

IT IS ORDERED that:

1. Pacific Gas and Electric Company is authorized to sell and convey to the Yuba County Water Agency certain lands and electric facilities in accordance with the terms of and as described in an agreement dated May 12, 1966, a copy of which is attached to the application as Exhibit C.

2. Pacific Gas and Electric Company shall, within thirty days after such sale and transfer, notify this Commission in writing of the date thereof, and within said period shall file with this Commission a true copy of any bill of sale or other instrument of transfer which may be executed to effect said sale and transfer.

3. Pacific Gas and Electric Company shall account for the sale of the property described in this application in accordance with the provisions of the Uniform System of Accounts applicable to Class A electrical corporations and shall, within six months from the date of sale, file with this Commission its proposed journal entries for accounting for the transaction.

4. In the event the Yuba County Water Agency does not consummate the purchase of the property under the terms of the agreement dated May 12, 1966 within two years after said date, the authority granted herein shall expire.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 15th day of MAY, 1966.

Frederick B. Holcliff  
President

John E. Mitchell

George L. Grover

Augustus

Commissioners

Commissioner William M. Bennett, being necessarily absent, did not participate in the disposition of this proceeding.