

ORIGINAL

Decision No. 72862

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of
SIERRA PACIFIC POWER COMPANY and the
TRUCKEE PUBLIC UTILITY DISTRICT for
an order authorizing the former to
sell to the latter certain electric
facilities.

Application No. 49437
(Filed June 7, 1967)

OPINION AND ORDER

Sierra Pacific Power Company (Sierra) and the Truckee Public Utility District (District) request authorization for Sierra to sell and convey to District, certain electric distribution facilities located in the area known as Donner Lake within the boundaries of the District, in accordance with the terms of an agreement dated March 1, 1967. A copy of this agreement is attached to the application as Exhibit 1.

The agreed consideration is (a) \$179,841.60, which amount represents the original cost less accrued depreciation valuation of the property inventory as of September 1, 1966 (Exhibit B of the agreement) and (b) the total cost of any additions to and betterments of facilities made by Sierra subsequent to September 1, 1966 and prior to the conveyance of facilities to District. The current ad valorem taxes for the tax year in which the facilities and any additions and betterments are conveyed are to be prorated as of the date of conveyance.

Sierra and District have rendered service to the general area of Truckee and Donner Lake, for many years and from time to time the District has enlarged its boundaries by annexation procedures so

that there is now territory served by Sierra within the existing boundaries of District. In order for this matter to be clarified so that neither Sierra nor District would be building parallel facilities and competing directly against one another, Sierra and District executed an Electric Service Agreement dated January 16, 1967, a copy of which is attached to the application as Exhibit 2, providing for, among other things, a territorial integrity agreement whereby District would serve only within its boundary as existing on the date of the service agreement and Sierra would serve only those areas outside the boundaries. Sierra also granted to District in said agreement an option to purchase all of the facilities owned by Sierra within District's boundaries. District has elected to exercise that option, and to acquire certain of the facilities owned by Sierra within its boundaries. A map and legal description of District's boundaries are attached to the agreement as Exhibit C and D respectively. The application states that during the 12-month period ended June, 1966, Sierra served an average of 690 electric customers within the area herein considered and derived therefrom the amount of \$100,925 in gross revenues. There are no meter deposits or contributions in aid of construction involved in this proposed sale.

District, upon acquisition of the facilities, agrees to assume all public utility obligations of Sierra for the territory served from said facilities in addition to any future customers added by Sierra prior to the conveyance of the facilities to District.

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 District 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 Sierra.

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

No objections to the sale and transfer of the facilities involved have been received.

The Commission finds that the proposed sale would not be adverse to the public interest and that a public hearing is not necessary.

IT IS ORDERED that:

1. Sierra Pacific Power Company is authorized to sell and convey to the Truckee Public Utility District the electric distribution facilities described in the agreement dated March 1, 1967, attached to the application as Exhibit 1, and to consummate said transaction in accordance with the terms of said agreement.
2. Sierra Pacific Power Company shall, concurrently, with the consummation of sale and transfer to the Truckee Public Utility District 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 (including all public utility obligations) of an electrical corporation within the area involved.
3. Sierra Pacific Power Company, shall within thirty days thereafter, notify this Commission in writing of the date of such sale and transfer.

