

ORIGINALDecision No. 73296

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of PACIFIC GAS AND ELECTRIC
 COMPANY and the CITY OF REDDING for an
 order authorizing the former to sell
 and convey to the latter certain electric
 distribution facilities in accordance
 with the terms of an agreement dated
 June 8, 1967.

Application No. 49645
 (Filed August 30, 1967)

(Electric)

OPINION AND ORDER

Pacific Gas and Electric Company (Pacific) and the City of Redding (City) request authorization for Pacific to sell and convey to City, certain electric distribution facilities located in an area known as Freebridge Annexation No. 1 to the City of Redding, in accordance with the terms of an agreement dated June 8, 1967, a copy of which is attached to the application as Exhibit A.

The agreed consideration is \$66,527 plus the total cost of any additions to and betterments of facilities made by Pacific subsequent to September 16, 1966, and prior to the conveyance of said facilities to City together with fifteen percent (15%) of such costs.

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 \$58,042 as of September 16, 1966.

The application states that City is the owner of certain electric distribution systems located within the city by means of which it supplies electric service to many residents thereof. The

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properties which Pacific proposes to sell are situated in an area which has been annexed to City and City is desirous of acquiring said facilities. During the 12-month period ended July 1, 1967, Pacific served 219 domestic customers, 15 commercial customers and 6 power accounts within the area herein considered, and derived therefrom the amount of \$27,512 in gross revenue. Pacific states it presently holds meter deposits for 18 customers totaling \$415 which will be refunded when the transfer of the system has been consummated.

City, upon acquisition of the property, agrees to assume all public utility obligations of Pacific to provide electric service for the territory served from these facilities and, specifically, for service to the present customers 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 its terms and conditions.

Applicants state 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 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 will 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 Redding the electric distribution facilities described in the agreement dated June 8, 1967 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 the sale and transfer to the City of Redding of the property described above, cease furnishing and supplying electric service to customers presently being served by it by means of said property and is relieved of the duties and responsibilities (including all public utility obligations) of an electric corporation within the area involved.

3. Pacific Gas and Electric Company shall, within ninety 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 are subject to refund.

5. Pacific Gas and Electric Company shall, within ninety 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 September 16, 1966, and prior to the conveyance of said facilities to City, together with 15 percent of such cost.

6. The authority granted herein shall expire in the event that the City of Redding does not consummate the purchase of the

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property under the terms of the agreement, 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 17th day of NOVEMBER 1967.

[Signature]
President
[Signature]
[Signature]
[Signature]
Commissioners