

Decision No. 76311

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of PACIFIC GAS AND ELECTRIC COMPANY and the CITY OF SANTA CLARA 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 October 28, 1968.

Application No. 51321
(Filed August 13, 1969)

(Electric)

OPINION AND ORDER

Pacific Gas and Electric Company (Pacific) and the City of Santa Clara (City) request authorization for Pacific to sell and convey to City certain electric distribution facilities located in two areas known as Agnew No. 7 Annexation and Agnew No. 9 Annexation in the City of Santa Clara, in accordance with the terms of an agreement dated October 28, 1968, a copy of which is attached to the application as Exhibit A.

The agreed consideration is (a) \$51,433 and (b) the total cost of any additions to or betterments of said facilities made by Pacific subsequent to October 1, 1966, and prior to the conveyance of the facilities to City, together with 15 percent of such cost. The sale price of \$51,433 (appraisal) was developed from the reproduction cost new less depreciation as of October 1966 as shown in Exhibit B attached to the application. 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 the facilities is stated to be \$49,695 as of October, 1966.

The application states that City is the owner of certain electric distribution systems located within the City by means whereof it supplies electric service to many residents thereof. The facilities which Pacific proposes to sell are located within the corporate limits of the City of Santa Clara, and City is desirous of acquiring said facilities. Pacific states that during the 12-month period ended September 1, 1968, it served 281 domestic customers, 11 commercial customers and 5 power accounts within the area herein considered, and derived therefrom the amount of \$82,250 in gross revenue. The application states Pacific holds 21 credit deposits for customers involved in this transaction, all of which will be refunded upon the sale of the facilities.

City, upon acquisition of the facilities, agrees to assume all public utility obligations of Pacific 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 the facilities to City.

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 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 the 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 would 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 Santa Clara the electric distribution facilities described in the agreement dated October 28, 1968, attached to the application as Exhibit A, and to consummate said transaction in accordance with the terms of the agreement.
2. Pacific Gas and Electric Company shall, concurrently with the consummation of sale and transfer to the City of Santa Clara 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. Pacific Gas and Electric Company shall, within thirty 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 may be subject to refund.
5. Pacific Gas and Electric Company shall, within thirty 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 October 1, 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 Santa Clara does not consummate the purchase of the property under 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 Los Angeles, California, this 21st day of OCTOBER, 1969.

William S. ...
President

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Commissioners