

Decision No. 77585

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of PACIFIC GAS AND ELECTRIC COMPANY and the CITY OF PALO ALTO 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 January 15, 1970.  
(Electric)

Application No. 51952  
(Filed June 11, 1970)

OPINION AND ORDER

Pacific Gas and Electric Company (Pacific) and the City of Palo Alto (City) request authorization for Pacific to sell and convey to City, certain electric distribution facilities located in an area known as El Camino-Maybell Annexation to the City of Palo Alto, in accordance with the terms of an agreement dated January 15, 1970, a copy of which is attached to the application as Exhibit A.

The agreed consideration is (a) \$4,355 and (b) the total net value of any additions to and retirements from the facilities made by Pacific subsequent to the original inventory date of April 25, 1968 and prior to the conveyance of said facilities to City together with fifteen percent (15%) of such costs.

Pursuant to the agreement, the current ad valorem taxes for the tax year in which the facilities are conveyed shall be prorated as of the date of conveyance. The estimated historical cost of these facilities is stated to be \$3,607.

The properties which Pacific proposes to sell are located in areas which has been annexed to City and City is desirous of acquiring said facilities. The location of the facilities is more particularly shown and delineated on a map attached to the agreement as Exhibit A.

For the twelve-month period ending December 1, 1969, Pacific supplied electric service from the facilities involved to four domestic, four commercial accounts and one street lighting power account. Pacific derived gross revenue from these customers as follows: domestic; \$371.53, commercial; \$2,391.77 and street lighting; \$42.60 for a total of two thousand eight hundred five and 90/100 dollars (\$2,805.90). There are no deposits for any of the nine customers involved in this sale.

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.

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 Palo Alto the electric distribution facilities described in the agreement dated January 15, 1970 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 sale and transfer to the City of Palo Alto 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 thirty days after the consummation of the sale and transfer authorized herein, file four copies of a tariff service area detail map in accordance with General Order No. 96-A which shall reflect the boundaries involved by this order.

6. 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 to and betterments of the facilities involved and made by Pacific subsequent to April 25, 1968, and prior to the conveyance of said facilities to City, together with 15 percent of such cost.

7. The authority granted herein shall expire in the event that the City of Palo Alto does not consummate the purchase of the 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 11<sup>th</sup> day of AUGUST, 1970.

*August*  
Chairman

*William J. ...*

*...*  
Commissioners

Commissioner J. P. Vukasin, Jr., being necessarily absent, did not participate in the disposition of this proceeding.