

ORIGINAL

Decision No. 77772

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of SOUTHERN CALIFORNIA
EDISON COMPANY AND PACIFIC GAS AND
ELECTRIC COMPANY for an order
authorizing the latter to sell and
convey to the former certain
electric distribution facilities
in accordance with the terms of an
agreement dated December 11, 1968.
(Electric)

Application No. 52158
(Filed August 25, 1970)

OPINION AND ORDER

Southern California Edison Company (Edison), and Pacific Gas and Electric Company (Pacific), request an order granting Pacific authority to sell and convey to Edison certain electric distribution facilities located in an area known as Doyle Ranch, Tulare County, in accordance with the terms and conditions of an agreement dated December 11, 1968, a copy of which is attached to the application marked Exhibit A.

Pacific agrees, among other things, to sell to Edison, and Edison agrees to purchase from Pacific, for the price and on the terms stated herein, Pacific's electric distribution facilities, including additions and betterments thereto, extending from Pacific's Tulare Project (Federal Power Commission License No. 1333) into and within the area known as Doyle Ranch, Tulare County. In order to effect the proposed conveyance the parties propose to use the Bill of Sale form attached to the application as Exhibit B. The location of the facilities is more particularly shown and delineated on the map as Appendix 1 of Exhibit B attached to the application.

Edison agrees to pay Pacific as the purchase price for the facilities a mutually agreed upon amount equal to the reproduction cost new of such line and such facilities less depreciation. The amount may be subject to minor change by the time conveyance is authorized and can be accomplished. The parties have agreed that, as of April 15, 1969, the sum of \$10,449 would be the sale price.

Attached to the application as Exhibit C is a summary statement showing the estimated historical cost and the reproduction cost new, less depreciation, of the facilities. The actual cost of additions to and betterments of the facilities, if any, which will have accrued between April 15, 1969, and the date of conveyance, will be determined as of the date of conveyance to Edison.

Edison is the owner of an electric distribution system located in Eastern Tulare County, except for the limited area owned and served by Pacific in the Doyle Ranch area. The Doyle Ranch area is many miles distant from the rest of Pacific's distribution system which makes service to such area difficult and relatively uneconomical. The properties which Pacific proposes to convey are located in an area where Edison has an established staff and organization which can efficiently serve the customers now served by Pacific in the Doyle Ranch area. Edison is desirous of acquiring the electric distribution facilities of Pacific described in the agreement and incorporating them into its electric distribution system. Edison intends, upon acquiring such properties to continue furnishing the electric service now being supplied by these facilities.

The agreement provides that it shall not become effective until the Commission shall, by order, authorize

Edison and Pacific to carry out its terms and conditions.

Real property taxes will be prorated as of the date of the conveyance.

Some 52 domestic accounts (Pacific's Schedule D-6) and four commercial accounts (Pacific's Schedule A-6) will be affected by the proposed transfer. For the 12-month period ending July 30, 1969, Pacific received a gross revenue of \$5,058.52 from these accounts. No line extension or temporary service deposits with refundable balances, or credit deposits or bill guarantees, are involved with these accounts.

It is intended that no customer served by Pacific at the date of transfer will involuntarily receive an increase in rate and that the rate applicable to any such customer will be the applicable rate schedule of either Edison or Pacific in effect at the time of transfer as may be selected by said customer. The rates of Pacific will be applicable only for the period that service continues on the schedule of Pacific in the name of the customer at the time of transfer or until the Commission authorizes Edison to change rates to such customers; provided, that once Edison's rates have been applied to a customer, no subsequent change from such rates to Pacific's rates shall be made. The customers to be transferred will be billed monthly or bimonthly as are other Edison customers as provided in Edison's Rule No. 9.

Edison and Pacific state they will, by proper filings with the Commission, revise their service areas in the said Doyle Ranch area of Tulare County.

On and after the date of conveyance, Edison agrees to assume all public utility obligations of Pacific to provide

electric service in the area that has been supplied from Pacific's facilities.

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 Southern California Edison Company the electric distribution facilities described in the agreement dated December 11, 1968 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 Edison 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 and Southern California Edison Company, shall, within thirty days after the consummation

of the sale and transfer authorized herein, file four copies of a tariff service area detailed 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 15, 1969, and prior to the conveyance of said facilities to Edison.

7. The authority granted herein shall expire in the event that the applicants do 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 29th day of SEPTEMBER, 1970.

[Signature]
Chairman

[Signature]
Commissioners

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

Commissioner Thomas Moran, being necessarily absent, did not participate in the disposition of this proceeding.