

Decision No. 78429

ORIGINAL

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
November 13, 1970.

(Electric)

Application No. 52421
(Filed January 22, 1971)

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 including additions located in an area known as Twinview Annexations Nos. 1 and 2, to the City of Redding, in accordance with the terms of an agreement dated November 13, 1970, a copy of which is attached to the application as Exhibit A.

The agreed consideration is \$250,926 plus the total net cost of any additions to and retirements from the facilities made by Pacific subsequent to the original inventory date of March 19, 1970 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 and any additions and betterments are conveyed are to be prorated as of the date of conveyance. The estimated historical cost of these facilities is stated to be \$137,340.

The 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. 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 August 31, 1970, Pacific supplied electric service from the facilities involved to 374 domestic customers, 53 commercial customers and 14 power accounts. Pacific derived gross revenue from these customers as follows: domestic, \$69,948; commercial, \$10,237; and power, \$12,072 for a total of ninety-two thousand two hundred fifty-seven dollars (\$92,257). Pacific holds 15 credit deposits for customers involved in this transaction totaling \$410, which Pacific states will be refunded to the respective customers at the time of the 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 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 November 13, 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 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 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.

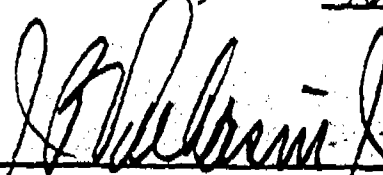
6. Pacific Gas and Electric Company shall, within ninety days after the consummation of the sale and transfer, furnish this

Commission the total costs of any additions and betterments of the facilities involved and made by Pacific subsequent to March 19, 1970, and prior to the conveyance of said facilities to City, together with 15 percent of such cost.

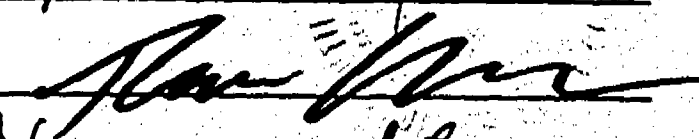
7. The authority granted herein shall expire in the event that the City of Redding does not consummate the purchase of the property under the terms of the agreement, within two years from the date hereof.

The effective date of this order shall be twenty days after the date hereof.

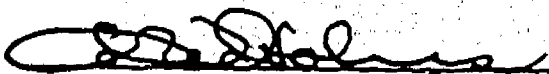
Dated at San Francisco, California, this 16th day of MARCH, 1971.



Chairman



Vernon L. Stinson



Commissioners

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