

ORIGINAL

Decision S4 12 004

DEC 5 1984

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of PACIFIC GAS AND)
 ELECTRIC COMPANY and the CITY OF)
 UKIAH 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)
 September 7, 1983.)

Application 84-07-067
 (Filed July 20, 1984)

(Electric)

INTERIM OPINION

Pacific Gas and Electric Company (PG&E) and the City of Ukiah (City) seek an order under Public Utilities (PU) Code § 851 granting PG&E authority to sell and convey to City a portion of its electric distribution system located in an area known as Airport Industrial Park which was annexed to City by City's Resolution No. 81-63.

On September 7, 1983 PG&E and City executed a purchase and sale agreement, a copy of which is attached to the application, which provides that City will pay PG&E \$25,985 as the purchase price. This sum represents replacement cost less depreciation of the facilities to be sold. Cost less depreciation is \$5,550, according to the application.

Replacement cost less depreciation meets the Commission's test of fair and just compensation for utility properties sold to a municipal corporation (Decision 83-02-044, PG&E and City of Redding).

City is, and for some time has been, the owner of an electric distribution system located within the limits of City. From this system City furnishes electric service to the residents and inhabitants thereof. The system which PG&E proposes to convey is

located in an area which has been annexed to and has become a part of City. City desires to acquire the electric distribution system of PG&E described in the agreement and incorporate it into its municipal electric distribution system. City intends, upon acquiring such properties, to continue furnishing the electric service now being supplied by these facilities.

The application appeared in the Commission's Daily Calendar of July 25, 1984. No protests have been received, and a public hearing is not required.

Findings of Fact

1. Sale and conveyance of PG&E's electric distribution system to City in accordance with the terms and conditions of the agreement of September 7, 1983 is not adverse to the public interest.

2. It can be seen with certainty that there is no possibility that the sale and transfer in question may have a significant effect upon the environment.

3. The gain in the sale price over net book value when realized by PG&E should be held in a suspense account pending resolution in A.83-04-37 by the Commission of the issue who is entitled to the gains or responsible for the losses accruing from sales of utility property.

Conclusion of Law

The application should be granted. This authorization is not a finding of the value of the rights and properties to be transferred.

INTERIM ORDER

IT IS ORDERED that:

1. Pacific Gas and Electric Company (PG&E) is authorized to sell and convey to the City of Ukiah, under the September 7, 1983 agreement, the facilities at Airport Industrial Park in Ukiah as described in the application and attached exhibits.

2. Within 10 days after the actual sale and transfer to City, PG&E shall notify this Commission in writing of the date thereof.

3. Within 90 days after the actual sale and transfer, PG&E shall file with this Commission the final figures for property transferred.

4. Within 10 days of the actual transfer, PG&E shall record the gains accruing from this sale and transfer in an appropriate suspense account and retain them in that account until further Commission order.

5. Upon compliance with this interim order, PG&E shall stand relieved of its public utility obligations in connection with electric service in the area which is the subject of this application.

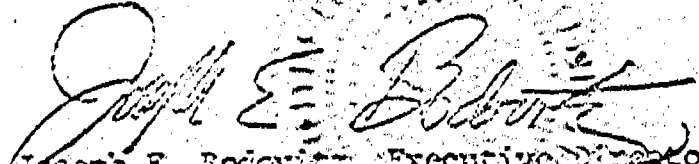
6. The application is granted as set forth above. This matter remains open.

This order becomes effective 30 days from today.

Dated DEC 5 1984, at San Francisco, California.

DONALD VIAL
President
VICTOR CALVO
PRISCILLA C. GREW
WILLIAM T. BAGLEY
FREDERICK R. DUDA
Commissioners

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TOGETHER.


Joseph E. Bodovitz, Executive Director