

Decision No. 27625.

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
TORRANCE WATER, LIGHT & POWER COMPANY)	
to Sell, and of ACT OF 1927 MUNICIPAL)	
IMPROVEMENT DISTRICT NO. 1 of the)	
CITY OF TORRANCE to Purchase the)	Application No. 19757
Water System and Appurtenances at)	
Torrance, California.)	

Walter L. Mann, for Torrance Water, Light & Power
Company,
Charles T. Rippy, City Attorney of Torrance, for
Act of 1927 Municipal Improvement District
No. 1 of the City of Torrance.

BY THE COMMISSION:

OPINION AND ORDER

In this application the Railroad Commission is asked to make its order authorizing Torrance Water, Light and Power Company, hereinafter referred to as the Company, to sell its public utility water system to Act of 1927 Municipal Improvement District No. 1 of the City of Torrance, hereinafter referred to as the District.

The properties to be sold are described in the agreement dated September 4, 1934, by and between the Company and the District, a copy of which is filed as Exhibit "A". In general the properties consist of all the tangible assets, and certain intangible assets hereinafter mentioned, owned by Torrance Water, Light & Power Company, a corporation, and used, or owned and held for use, by said Company in the operation of its water distribution system in the City of Torrance, City of Los Angeles, and/or other adjacent territory, including all its real and tangible personal property wherever located, such as wells, pumps, tanks, reservoirs, distribution mains, meters, equipment, office furniture and fixtures, trucks, tools, accessories, and all lands, rights of way and easements, together also with all intan-

gible personal property so owned and used, or owned and held for use, such as water rights, contractual rights, leases, agreements of consumers, all records regarding consumers and lists of consumers. Excluded from the sale, however, is all cash on hand or in banks, all accounts receivable, all other choses in action and all other intangible personal property not specifically specified in the sale agreement.

Under the terms of the agreement the cash consideration to be paid for the properties is the sum of \$137,000., which is alleged in the application to represent substantially the present value and net cost of the business and properties, the original cost of the plants and appurtenances being reported at \$240,933.46 and the depreciation reserve at \$105,594.54, leaving a balance of \$135,338.92.

It is recited in the application that if the sale and purchase be authorized the interests and rights of all present users of water and of all others having any right to or interest in the use and service of the same will be fully preserved and protected under and by virtue of a certain supplemental agreement, filed as Exhibit "B", which will be executed by the District. A reference to the supplemental agreement shows that in connection with consumers' service and deposits the District agrees as follows-

"II. The District will and does assume all the obligations of the company towards the present and prospective users of its service as a public utility in said district, including any rule, regulation or order of said Railroad Commission or of any other public authority or out of any statute or rule of law applicable in the premises, and will assume all obligations toward consumers in the City of Los Angeles arising out of any contract between the Board of Water and Power Commissioners of said City of Los Angeles and the Company, and will continue the service heretofore and presently being rendered to the users thereof by the Company in accordance therewith, subject, however, to compliance by such users, respectively, with such rules and regulations regarding such service and payment therefor as have heretofore been duly adopted by the Company or may hereafter be duly adopted by the District.

III. The District will and hereby does assume and agree duly and promptly to perform any and all obligations of the Company heretofore assumed by or imposed upon the Company in connection with or arising out of any deposit of money or other security with the Company by any consumer, property owner or other person, firm or corporation in respect of continuance of service, construction of distribution or service lines, payment of bills or otherwise and hereby agrees to abide by and comply with any rules, regulations or orders of said Railroad Commission applicable to any such deposit with the Company unpaid at the date hereof."

The Commission is of the opinion that this is not a matter in which a public hearing is necessary and that the application should be granted, as herein provided, therefore--

IT IS HEREBY ORDERED that Torrance Water, Light & Power Company be, and it hereby is, authorized to sell and convey to the Act of 1927 Municipal Improvement District No. 1 of the City of Torrance the properties referred to in this application; such sale and conveyance to be made in accordance with the terms and conditions outlined in the application and in exhibits attached thereto, provided that the authority herein granted to sell and convey property will become effective when the District has filed with the Commission a certified copy of the agreement to be executed in respect of consumers' deposits and service, or similar in form to Exhibit "B" filed in this proceeding.

IT IS HEREBY FURTHER ORDERED that within thirty (30) days after Torrance Water, Light & Power Company actually relinquishes control of its water system, it shall file with the Commission a certified statement showing the exact date upon which it relinquished control and possession of said system.

DATED at San Francisco, California, this 27th day of December, 1934.

Leon Whiskey
W. H. Carr
M. B. Harris
Charles J. [unclear]
STUART [unclear]

Commissioners.