

Decision No. 27636

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
PUBLIC UTILITIES CALIFORNIA CORPORATION)
to Sell and Convey a Water System to) Application No. 19760
the CITY OF ARCATA.)

BY THE COMMISSION:

OPINION AND ORDER

In this application the Railroad Commission is asked to make its order authorizing Public Utilities California Corporation, hereinafter referred to as the Company, to sell and convey its water works and system located in and about the City of Arcata, to the City of Arcata, hereinafter referred to as the City.

Public Utilities California Corporation is a corporation organized under the laws of the State of California and engaged in operating public utility properties in numerous locations within the state, including a public utility water works and system located in and serving the City of Arcata and vicinity. The records of the Commission show that the company acquired the water system, during 1928, from Union Water Company, pursuant to authority granted by the Commission by Decision No. 20201, dated September 6, 1928, and issued in making such acquisition, \$79,000.00 of its common capital stock.

The present application shows that by an agreement dated December 22, 1934, a copy of which is attached to the application as Exhibit "A", the company has agreed to sell its Arcata water system to the City of Arcata. In general, the properties to be sold include the land and fixed physical properties comprising the water works and system serving the City of Arcata and vicinity, including among other things all of the fixed physical assets which the Union Water Company,

a California corporation, conveyed to Public Utilities California Corporation, a California corporation, by two deeds dated October 26, 1928 (recorded November 22, 1928 in Book 182 of Deeds, pages 306 and 313, respectively, of the Records of the County of Humboldt), with additions and betterments made thereto, less retirements and less equipment detached from said system and not now in service thereon, and including all land, rights of way, easements, distributing systems, buildings, reservoirs, wells, tanks, pipes in place, ditches, hydrants, meters in place, machinery, pumps, and water rights, which are now used in said water system, and all of the Company's maps, charts, reports and engineering data of every kind and character relating to said Arcata water works and system, if any exist, and also all accounts receivable for water furnished to customers and all material and supplies, office and shop equipment, tools and automobiles but expressly excluding cash, account books and records, other than those mentioned above.

Under the terms of the agreement the consideration to be paid for the properties is the sum of \$72,969.00, subject to certain adjustments for accounts receivable, material and supplies and other items. The amount of the consideration is alleged to represent the value of the properties as of May 1, 1934, as determined by a board of arbitration. The Company, among other things, agrees to pay to the City an amount equal to the aggregate amount of refundable meter and customer deposits for water service and prepaid bills for water service, if any, held by it on December 31, 1934 and to discharge all its obligations for wages, materials and other liabilities, including delinquent taxes and assessments, if any, incurred in the operation of the system up to the closing date. The City by the terms of the agreement assumes all obligations of the Company to furnish water after that date.

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 Public Utilities California Corporation be, and it hereby is, authorized to sell and convey to the City of Arcata its water works and system located in and about the City of Arcata and referred to and described in this application, such sale and conveyance to be made in accordance with the terms and conditions of the agreement dated December 22, 1934 filed as Exhibit "A" in this application, provided that this order will become effective when the City of Arcata has filed with the Commission a stipulation duly authorized by the City Council of said City of Arcata in which said City agrees (a) to refund consumers' deposits unpaid at the time of transfer and paid to it by Public Utilities California Corporation, such refund to be made in accordance with the rules and regulations of Public Utilities California Corporation now in effect and applying in and about the City of Arcata; and (b) in which said City further agrees to continue to render water service to the consumers outside the incorporated limits of said City now served by Public Utilities California Corporation.

IT IS HEREBY FURTHER ORDERED that Public Utilities California Corporation shall file with the Commission a statement showing the exact date upon which it relinquished possession and control of the aforesaid water works and system, said statement to be filed within thirty(30) days after said date.

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

M. A. Carr

M. B. Harris

[Signature]

Commissioners.