

Decision No. 31629

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of

OAKS WATER COMPANY OF HILLSBOROUGH,
a corporation,

for an order authorizing, (1) the sale and transfer of certain public utility properties; (2) the discontinuance by Oaks Water Company of Hillsborough of certain public utility obligations within certain territory.

ORIGINAL

Application No. 22463

BY THE COMMISSION:

O P I N I O N

Oaks Water Company of Hillsborough asks permission to sell and transfer to the Town of Hillsborough all of its physical properties, franchises, operative rights and contracts for water service within the Town of Hillsborough or appurtenant to the water system of said Oaks Water Company of Hillsborough, excepting the following: (a) Six-tenths (6/10ths) of an acre of land on Summit Drive; (b) Lot four (4) in Hillsborough Oaks, including the improvements on said lot consisting of wells, pumping and booster facilities and sump tank; (c) the existing 4" pipe line from said lot 4 to the municipal water system of the City of Burlingame; (d) all properties and rights in the "Carolands" subdivision, including transmission lines from Carolands to the Brewer Reservoir; (e) accounts receivable, choses in action, cash on hand and in bank, and any other intangible properties other than franchises, operative rights and contracts for water service. The properties which applicant desires to sell and transfer are more particularly described in the deed and bill of sale filed in this proceeding.

Upon the transfer of said properties, the Oaks Water Company of Hillsborough asks to be relieved from its obligation of rendering a public utility water service in the Town of Hillsborough.

The Oaks Water Company of Hillsborough is a subsidiary of the Lang

Realty Corporation. Its properties were installed to serve consumers residing on lots in subdivisions developed and sold by Lang Realty Corporation. The water company reports its investment in its water properties at \$31,547.97 and its depreciation reserve of \$14,551.89. For 1937 its operating revenues are reported at \$15,965.21. It has agreed to sell the properties herein mentioned to the Town of Hillsborough for \$15,500.00.

The Oaks Water Company of Hillsborough is now operating the water system supplying consumers in the subdivision known as Carolands in the Town of Hillsborough. In consideration of the Town of Hillsborough assuming the obligation to supply water service to property owners in the tract known as Carolands, the Oaks Water Company of Hillsborough will make available to the Town of Hillsborough, for a period of one year, all its existing rights and facilities necessary for the operation of a water system to supply the consumers in the aforesaid subdivision known as Carolands. It is contemplated that during such period the parties will institute negotiations looking to the acquisition of the water system in such subdivision by the Town of Hillsborough. In the event the parties cannot agree upon a price, the transfer of all rights and facilities of the Oaks Water Company of Hillsborough in said subdivision, shall terminate. If this transfer is terminated we will expect the Oaks Water Company of Hillsborough to resume water service to consumers in the Carolands subdivision.

If the Oaks Water Company of Hillsborough holds any meter deposits from consumers or any other deposits, the same should be returned to the depositors within thirty (30) days after the transfer of its properties to the Town of Hillsborough.

O R D E R

The Commission having considered the request of Oaks Water Company of Hillsborough and it being of the opinion that this is not a matter in which a hearing is necessary and that this application should be granted subject to the provisions of this order, therefore,

IT IS HEREBY ORDERED, that Oaks Water Company of Hillsborough may, on or before April 1, 1939, sell and transfer its properties described in the deed and bill of sale and in the indenture filed in this proceeding, to the Town of Hillsborough.

IT IS HEREBY ORDERED, that concurrently with the sale and transfer of said properties to the Town of Hillsborough, Oaks Water Company of Hillsborough is relieved from its public utility obligations, within the territorial limits of the Town of Hillsborough, provided that if the Town of Hillsborough does not acquire the public utility properties necessary to serve consumers in the subdivision known as Carolands, said Oaks Water Company of Hillsborough shall, upon the termination of the agreement filed in this proceeding, resume public utility water service to consumers residing in said subdivision known as Carolands.

IT IS HEREBY FURTHER ORDERED, that within thirty (30) days after the sale and transfer of said properties, Oaks Water Company of Hillsborough shall return to its consumers in the Town of Hillsborough any deposits to which they are entitled under the rules and regulations of the Railroad Commission.

IT IS HEREBY FURTHER ORDERED, that within thirty (30) days after the sale and transfer of said properties, Oaks Water Company of Hillsborough shall file with the Railroad Commission, a statement showing the exact date of the sale and transfer of said properties together with a copy of the deed and bill of sale transferring the title of said properties.

IT IS HEREBY FURTHER ORDERED, that the authority herein granted shall become effective ^{fifteen (15) days after} the date hereof.

DATED at San Francisco, California, this 9th day of January, 1939.

Robert W. White
Carl W. Curry
Justice J. C. Cramer
COMMISSIONERS