

Decision No. 40397

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application of CALIFORNIA WATER SERVICE COMPANY, a corporation, and the CITY OF REDWOOD CITY, a municipal corporation, for an Order authorizing CALIFORNIA WATER SERVICE COMPANY (1) to discontinue public utility operations relating to domestic service in an area recently annexed by the CITY OF REDWOOD CITY, and (2) to sell and transfer to the CITY OF REDWOOD CITY the properties presently devoted to such public utility service.

Application No. 28469

O R D E R

California Water Service Company, a corporation, asks the Commission for authority to sell and transfer a portion of its Bear Gulch system supplying a subdivision known as Redwood Village in San Mateo County to City of Redwood City a municipal corporation, and to be relieved of its utility obligations to serve this territory.

An extension was constructed to serve this subdivision in 1946 at a cost of \$23,712.68. At present there are 237 customers served. The tract is contiguous to the city and the residents having voted in favor of annexation on February, 1947, it was duly annexed and is now a part of said city. Redwood City owns and operates a water distribution system and desires to acquire the company's system in Redwood Village at a negotiated purchase price of \$26,000.

The average revenue received from each customer in Redwood Village during 1946 was approximately \$3.87 per month. It is estimated that some \$11,000 per year in revenues will be lost by the Bear Gulch Division of the company. The only substantial effect on the company's district operating expenses resulting from

this transfer will be the reduction of the cost of water for the tract which is purchased from the City of San Francisco Water Department.

An investigation having been made, and it appearing that this is not a matter in which a public hearing is necessary and that the application should be granted, now, therefore,

IT IS HEREBY ORDERED as follows:

1. That California Water Service Company, a corporation be and it is hereby authorized to sell and transfer, on or before September 1, 1947, that portion of its public utility water system serving the subdivision known as Redwood Village to the City of Redwood City, a municipal corporation, under the terms and conditions set forth in an agreement marked Exhibit "1", said property being more particularly described in the deed and bill of sale marked Exhibit "A", said exhibits being attached to the application and made a part of this Order by reference;
2. That within sixty (60) days after the sale and transfer of the water properties serving Redwood Village, to the City of Redwood City, the California Water Service Company shall file with the Public Utilities Commission a statement showing the exact date upon which it relinquished control and possession of these properties and a copy of each journal entry used to record on its books the sale of such properties.
3. That upon compliance with the above terms and conditions said California Water Service Company, a corporation, shall thereupon and thereby stand relieved of all further public utility obligations and liabilities in connection with the portion of the water system herein authorized to be transferred.

The authority herein granted will become effective twenty (20) days after the date hereof.

Dated at San Francisco, California, this 10th day of June, 1947.

Harold D. Huls
Justice J. Callahan
Dean H. Russell
A. E. ...
Kenneth Lott
 Commissioners.