

ORIGINAL

Decision No. 48201

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Conservative Water)
Company, a corporation, for)
authority to sell and transfer) Application No. 33921
certain of its water system)
facilities.)

O P I N I O N

In this application filed December 3, 1952, Conservative Water Company,^{1/} a corporation, engaged in the business of furnishing water service in portions of both the City and County of Los Angeles in the vicinity of Watts, asks the Commission for authority to sell and transfer certain of its pipe lines and properties to the Housing Authority of the City of Los Angeles, California,^{2/} a public body corporate and politic, which joins in the application to the extent necessary to evidence its concurrence therein.

The application states that the Company has agreed to sell certain of its pipe lines and properties located in the area colored in yellow on the map attached to the application as Exhibit A for \$13,152 and that the Authority has offered to purchase these properties for the said amount in connection with its Imperial-Compton Project No. Cal 4-13. A copy of the purchase agreement between the two parties, dated November 18, 1952, is attached to the application as Exhibit B.

The purchase agreement describes the properties proposed to be sold and contains as attachments thereto a schedule of 128 water service lines as of August 19, 1952, which are included

^{1/} Sometimes hereinafter referred to as the Company.
^{2/} Sometimes hereinafter referred to as the Authority.

in the sale, a map showing the Company's water lines to be abandoned or relocated in the service area affected, and a copy of the resolution passed by the Authority on November 3, 1952, authorizing the execution of the agreement. In addition to the sale and purchase of the pipe lines and services described therein, the agreement provides for the relocation and replacement of a portion of the Company's 3-inch water line in 112th Street, with new materials and at the expense of the Authority. The agreement further provides that the Authority was to take possession of the specified property on December 1, 1952, in order to permit the construction of the project to proceed without delay.

Attached to the application as Exhibit C is a copy of the resolution adopted by the Company's Board of Directors on September 22, 1952, authorizing the execution of the agreement included as Exhibit B. A bill of sale substantially in the form proposed to be executed by the Company, after authorization by this Commission, is attached to the application as Exhibit D.

The application further states that:

- a. No customers of the Company within the portion of its service area to be transferred are concerned in this proceeding because the Authority has acquired all real estate and properties in this area; is causing streets therein to be vacated; and is planning, developing and constructing in the area a number of low-rent housing units, including a source of water supply and distribution facilities to furnish water to future occupants of the housing units.
- b. The water service to Company's customers in areas contiguous to the subject area will not be diminished, interrupted or materially altered by reason of the proposed transaction.
- c. Representatives of the insurance company holding a mortgage dated November 14, 1950, which the Company executed in accordance with this Commission's Decision No. 44926, dated October 24, 1950, in Application No. 31829, have signified verbally their willingness to release the properties involved herein from the obligations of the said mortgage.

The action taken herein shall not be construed to be finding of the value of the properties authorized herein to be sold and transferred, or replaced.

O R D E R

The Commission has considered this matter and is of the opinion and hereby finds that the proposed sale and transfer will not be adverse to the public interest, that a public hearing is not necessary, and that the application should be granted; as herein provided; therefore,

IT IS HEREBY ORDERED that Conservative Water Company, a corporation, may, on or after the effective date hereof and on or before April 30, 1953, sell and transfer the public utility properties described herein to the Housing Authority of the City of Los Angeles, California, a public body corporate and politic, pursuant to the agreement of sale and purchase attached to the application as Exhibit B and by reference made a part hereof; subject, however, to the following conditions:

1. On or before the date of actual transfer, Conservative Water Company shall have refunded all deposits which its erstwhile consumers in the area described herein were entitled to have refunded and, within thirty (30) days thereafter, shall file with this Commission a written statement setting forth the amount of the deposits subject to refund and the name of each of the consumers and the date when such deposits were refunded for the properties involved in this proceeding.
2. Within thirty (30) days after the date of the sale of said properties, Conservative Water Company shall file with this Commission a statement showing the date when it ceased to supply water to consumers from its facilities in the area involved herein.
3. Within thirty (30) days after the execution of the bill of sale substantially in the form shown in Exhibit D attached to the application and by reference made a part hereof, Conservative Water Company shall file with this Commission a certified copy thereof.

- 4. Conservative Water Company shall file with this Commission, within sixty (60) days after the date of sale of said properties, a copy of each and every journal or other entry used to record on its books of account the sale, retirement and replacement of all the properties herein authorized to be transferred and sold, or replaced.

The effective date of this order shall be twenty (20) days after the date hereof.

Dated at San Francisco, California, this 27th day of January, 1953.

R. T. [Signature]
President.

Justus F. [Signature]

Harold P. [Signature]

Kenneth [Signature]

[Signature]
Commissioners.