

ORIGINAL

Decision No. 48980

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of the PALM VILLAGE)	
WATER COMPANY, a corporation, and)	
the PALM DESERT COMMUNITY SERVICES)	
DISTRICT for Permission to sell)	Application No. 34599
the physical assets of the)	
PALM VILLAGE WATER COMPANY to the)	
PALM DESERT COMMUNITY SERVICES)	
DISTRICT.)	

OPINION AND ORDER

Palm Village Water Company, a corporation, requests authority of the Commission to sell and transfer the physical assets of its water system to Palm Desert Community Services District, which joins in the application. The privately owned utility corporation is engaged in furnishing irrigation, residential and fire protection water service in the Palm Village area, Riverside County.

The properties proposed to be transferred are described in an option from the seller, dated November 5, 1952, a copy of which is attached to the application as Exhibit "A". Acceptance of the option by the district was made May 8, 1953, a copy of which document is attached to the application as Exhibit "B". The agreed transfer price is \$105,000, which is to be paid from funds made available from the bonded indebtedness incurred by the district.

The area served by the Palm Village Water Company, and certain additional territory, was included in a certificate of public convenience and necessity granted by the Commission in its Decision No. 33271, issued July 31, 1940. This certificate was granted to Southern Finance Corporation, a corporation operating a water system under the fictitious firm name and style of

Palm Village Water Company, one of the applicants herein. The latter transaction was authorized by the Commission by its Decision 37933 issued May 29, 1945, in Application No. 26656.

The application states that the present transfer is desired for the reason that reconstruction of the system and substantial extensions would be required in order to render adequate service in the area. Further, as a result of its bond issue, the district has the necessary funds available to finance the improvements.

The action taken herein shall not be construed to be a finding of the value of the properties herein authorized to be transferred.

The Commission has considered the request of applicants and is of the opinion that the proposed sale, transfer and conveyance 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 Palm Village Water Company, a corporation, may, on or after the effective date hereof, and on or before December 31, 1953, sell and transfer the herein described public utility properties to Palm Desert Community Services District, pursuant to the terms set forth in the option and acceptance thereof embodied in the application.

IT IS HEREBY FURTHER ORDERED that:

1. On or before the date of actual transfer Palm Village Water Company shall refund all deposits, if any to customers entitled thereto, and within thirty days thereafter shall notify this Commission in writing of the completion of such refunding.
2. If the authority herein granted is exercised, Palm Village Water Company, within thirty days thereafter, shall notify this Commission in writing of the date of completion of the transfer.

- 3. Upon due compliance with the above conditions said Palm Village Water Company shall stand relieved of all further public utility obligations and liabilities in connection with the operations of the public utility water system referred to in this proceeding.

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

Dated at San Francisco, California, this 18th day of August, 1953.

 President
Justin J. Casanova

Harold Hule

John E. Mitchell

 Commissioners