

Decision No. 49211**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 NIELS SCHULTZ, doing business under)
 the name of MILLBRAE HIGHLANDS WATER)
 COMPANY, for an order authorizing)
 (1) the sale and transfer to the City)
 of Millbrae of the water system of)
 Applicant in the City of Millbrae,)
 San Mateo County, and (2) the discon-)
 tinuance of service by Applicant in)
 certain territory in the City of)
 Millbrae, San Mateo County.)

Application No. 34727

OPINION AND ORDER

Niels Schultz, doing business as Millbrae Highlands Water Company, by application filed September 15, 1953, seeks authority to sell his public utility water system to the City of Millbrae for \$214,017.04 cash, subject to certain adjustments and thereafter to discontinue service as a public utility in the territory now served by him. The terms and conditions of the sale are set forth in an agreement dated August 25, 1953, and in a deed and bill of sale, copies of which are annexed to the application. The City has joined in the application.

In January, 1952, the voters of the City of Millbrae passed a revenue bond issue of \$850,000 to acquire and improve all of the water systems within the City, of which Schultz's system, serving Millbrae Highlands and Bayside Manor, is one.¹

The City, pursuant to the agreement, will assume the company's obligations under certain main extension agreements and will also assume the obligations of the company to consumers for

¹ Decisions Nos. 22071, 37499, Application No. 16214.

deposits, including accrued interest, made by consumers to guarantee payment of bills.

Applicant alleges that it is desirable to expedite the transfer of the properties so that the City can proceed with its program for a municipal water system. No necessity exists for a public hearing since the voters have determined that they wish a municipal water system and only the interests of the utility and the City would appear to be involved.

We find that the proposed transfer will not be adverse to the public interest. The application, accordingly, will be granted. The action taken herein, however, shall not be construed to be a finding of the value of the properties herein authorized to be transferred.

Therefore, good cause appearing,

IT IS HEREBY ORDERED that Niels Schultz, applicant herein, may, on or after the effective date hereof and on or before December 31, 1953, sell to the City of Millbrae, a municipal corporation, in accordance with the terms of an agreement, dated August 25, 1953, a copy of which is attached to the application as Exhibit B thereof, those certain properties described therein.

IT IS HEREBY FURTHER ORDERED that:

1. On or before the date of actual transfer, applicant, Niels Schultz, shall refund all deposits which customers are entitled to have refunded. Any unrefunded deposits shall be transferred to and become the obligation for refund of the City of Millbrae, in accordance with the terms of the agreement for sale herein, dated August 25, 1953.

2. Applicant, Niels Schultz, shall, within thirty days after the actual date thereof, notify the Commission in writing of the completion of the transfer herein authorized and of his compliance with the conditions hereof, and may thereafter discontinue public utility water service in the territory he presently serves.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 13th day of October, 1953.

[Signature]
President
[Signature]
[Signature]
[Signature]

Commissioners