

Decision No. 50980**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of B. V. WATER CO., INC.,)
 a California corporation, and the)
 QUARTZ HILL COUNTY WATER DISTRICT)
 for permission to sell the physical) Application No. 36541
 assets of the B. V. WATER CO., INC.,)
 to the QUARTZ HILL COUNTY WATER)
 DISTRICT.)

OPINION AND ORDER

B. V. Water Co., Inc.,^{1/} a corporation, by its application filed December 8, 1954, requests authority of this Commission to sell the physical assets of said B. V. Water Co., Inc., to Quartz Hill County Water District,^{2/} which joins in the application.

Under the terms of the Contract of Purchase, a copy of which is attached to the application as Exhibit A, the Company proposes to sell to the District its water system properties described in said contract for the sum of \$82,500 plus the cost of any capital additions and improvements made after August 1, 1954, provided said additions and improvements have been made with the consent of the District. The purchase price is to be paid from the proceeds of bonds to be issued by the District.

The Company was granted certificates of public convenience and necessity to construct and operate separate water systems by this Commission by its Decision No. 42034, dated September 14, 1948, in Application No. 29361 and by its Decision No. 46992, dated April 14, 1952, in Application No. 33001, these several certificated systems being situated in the vicinity of Lancaster and Palmdale, Los Angeles County.

^{1/} Sometimes herein called Company.
^{2/} Sometimes herein called District.

The September 30, 1954 balance sheet of the Company, Exhibit B of the application, shows fixed capital and reserve for depreciation of \$159,298.32 and \$25,161.21, respectively, thus indicating a depreciated fixed capital of \$134,137.11 for the water system properties to be transferred.

Correspondence from both the Company and counsel for the District states that the area covered by the District includes all the territory presently served by the Company and that the District will serve all of the Company's present customers.

It is noted that in the above-referred-to Contract of Purchase the terms thereof provide that the Company may not make any further capital additions or improvements without the consent of the District, and said contract further provides that the Company shall continue to operate the water utility to the day of transfer following close of the escrow. It shall be understood by applicants, however, that the Company is under obligation to provide adequate service where proper application has been made and to install new services and main extensions under the provisions of its filed tariffs, and the transfer authorized herein shall not be construed to restrict, up to the date of actual transfer, the additions or improvements required for it to fulfill its utility obligations.

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 having considered the above-entitled application and being of the opinion that the proposed transfer will not be adverse to the public interest, that a public hearing is not necessary, and that the application should be granted; therefore,

IT IS HEREBY ORDERED that:

1. B. V. Water Co., Inc., a corporation, may, on or after the effective date hereof and on or before July 31, 1955, sell and transfer its public utility properties to Quartz Hill County Water District substantially in accordance with the terms of the Contract of Purchase, a copy of which is attached to the application as Exhibit A, except as hereinabove otherwise noted.
2. On or before the actual date of transfer, B. V. Water Co., Inc., a corporation, shall refund all deposits which customers are entitled to have refunded, and within thirty days thereafter shall notify this Commission in writing of the completion of such refunding.
3. B. V. Water Co., Inc., a corporation, shall, within thirty days after the actual date of transfer, file with this Commission a verified statement showing all obligations to make refunds of consumers' advances for construction, the amounts thereof, and the names of persons or corporations in whose favor such obligations exist.
4. If the authority herein granted is exercised, B. V. Water Co., Inc., a corporation, shall, within thirty days thereafter, notify this Commission in writing of the date of such completion of the property transfer herein authorized and of its compliance with the conditions hereof.
5. Upon due compliance with all the conditions of this order, said B. V. Water Co., Inc., a corporation, shall stand relieved of all further public utility obligations and liabilities in connection with the operation of the public utility water system herein authorized to be transferred.

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

Dated at San Francisco, California, this 18th day of JANUARY, 1955.

John L. Mitchell
 President

Justin J. Curran

Russell L. ...

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Commissioners