

Decision No. 51367

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
ORCHARD DALE SERVICE COMPANY, )  
to Sell Assets. )  
----- )

Application  
No. 36845

OPINION AND ORDER

Orchard Dale Service Company, a corporation, is engaged in the distribution of water to approximately 1,100 customers in an area east of Whittier, in the County of Los Angeles. In this proceeding it reports that it does not have sufficient capital to install additional reservoir facilities and that it has made arrangements to dispose of its assets to Orchard Dale County Water District, a duly constituted water district which has been organized to acquire the properties and to conduct the operations. Orchard Dale Service Company seeks the Commission's approval of its proposed sale.

Under the terms of the agreement of sale, a copy of which has been filed in this proceeding as Exhibit A, applicant corporation will transfer its assets, free and clear of all encumbrances, liens, trust deeds and mortgages, for the basic price of \$331,500. The purchase price is to be paid from the proceeds of bonds issued by the district.

As stated, conveyance will be made free and clear of indebtedness. Applicant corporation reports that there are certain advances for installations in the amount of \$149,008.74, and that

as to these it will execute a declaration of trust whereby it will deposit the sum with California Bank, as trustee, for distribution by said trustee to those who have made the advances to applicant. It is asserted that applicant will obtain from the district all the information concerning water sales and installations of additional facilities with respect to each of the advances named in the declaration of trust and will compute the payment due each and thereafter will direct the trustee to make payments as they become due under each of the advances in aid of construction.

The Commission has considered this matter and is of the opinion, and so finds, 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, as herein provided, therefore,

IT IS HEREBY ORDERED as follows:

1. Orchard Dale Service Company, a corporation, on or after the effective date hereof and on or before September 30, 1955, may sell and transfer its public utility properties to Orchard Dale County Water District in accordance with the terms of the agreement of sale which has been filed in this proceeding.

2. On or before the actual date of transfer, Orchard Dale Service Company shall refund all deposits which customers are entitled to have refunded and, within 30 days thereafter, shall notify the Commission in writing of the completion of such refunds.

3. If the authority herein granted is exercised, Orchard Dale Service Company, within 30 days thereafter, shall notify the Commission in writing of the date of the completion of the transfer

of the property as herein authorized and of its compliance with the conditions of this order.

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

5. Upon due compliance with all the conditions of this order, Orchard Dale Service Company shall stand relieved of all further utility obligations and liabilities in connection with the operation of the public utility water system herein authorized to be transferred.

6. The authority herein granted will become effective on the date hereof.

Dated at San Francisco, California, this 26<sup>th</sup> day of APRIL, 1955.

*E. E. Mitchell*  
President

*Justin D. Calves*  
*Ray L. Lister*  
*Walter D. Cook*  
Commissioners