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Decision No. 51386

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of PINEDALE WATER COMPANY,)
a California corporation, and the)
PINEDALE COUNTY WATER DISTRICT for) Application No. 36763
permission to sell the physical assets)
of the PINEDALE WATER COMPANY, to the)
PINEDALE COUNTY WATER DISTRICT.)

OPINION AND ORDER

Pinedale Water Company,^{1/} a California corporation, by application filed on March 1, 1955, seeks authority from this Commission to sell its physical assets to the Pinedale County Water District,^{2/} which joins in the application. The terms and conditions of the sale are set forth in the Contract of Purchase, dated December 23, 1954, a copy of which is attached to the application as Exhibit "A".

Under the terms of the contract the Company proposes to sell to the District its water system properties described therein for the sum of \$42,500 plus the cost of such capital additions and improvements as are made by the Company after January 1, 1955. The purchase price is to be paid from the proceeds of bonds to be authorized by the voters of the District.

The Company was granted a certificate of public convenience and necessity by this Commission by its Decision No. 13721, dated June 20, 1924, in Application No. 10004. Water is furnished by the Company for residential and fire protection purposes in an area known as Pinedale in the County of Fresno. The service area of the Company is stated to be entirely within the boundaries of the District.

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

The balance sheet of the Company, attached to the application as Exhibit "B", shows utility plant, including land, and reserve for depreciation of \$71,429.91 and \$37,196.70, respectively, as of December 31, 1954, thus indicating a depreciated utility plant of \$34,233.21 for the water system properties proposed to be transferred herein.

It is noted that in the hereinabove-mentioned Contract of Purchase the terms thereof provide that the Company shall continue to operate the water utility to the day of transfer following the close of the escrow, and said contract further provides that the Company may not make any further capital additions or improvements without the consent of the District. It shall be understood by the 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 as follows:

1. Pinedale Water Company, a corporation, may, on or after the effective date hereof and on or before December 31, 1955, sell and transfer its public utility properties to the Pinedale County Water District substantially in accordance with the terms

of the Contract of Purchase, included in the application as Exhibit "A", except as hereinabove otherwise noted.

2. On or before the date of actual transfer, Pinedale Water Company 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. Pinedale Water Company 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, Pinedale Water Company 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 of the conditions of this order, said Pinedale Water Company shall stand relieved of all further public utility obligations and liabilities in connection with the operation of the 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 21st day of April, 1955.

John E. Mitchell
President

Justice D. Cassner

Ray G. Lutterer

William J. Dooly

Commissioners