

ORIGINALDecision No. 51644

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 PACIFIC WATER CO., a California)
 corporation, to sell its water)
 system known as its Twentynine) Application No. 36988
 Palms Water System to Twentynine)
 Palms County Water District)
 under Section 851 of the Public)
 Utilities Code.)

OPINION AND ORDER

Pacific Water Co., by the above-entitled application filed May 24, 1955, seeks authority to sell its Twentynine Palms Water System to Twentynine Palms County Water District in accordance with the terms of the Contract of Purchase dated March 10, 1955, a copy of which is attached to the application as Exhibit A.

Applicant acquired its Twentynine Palms Water System from Twentynine Palms Utilities Company in accordance with the provisions of Decision No. 45787, dated June 5, 1951, in Application No. 32256.

Twentynine Palms County Water District is a political subdivision of the State of California and its boundaries completely embrace those of applicant's service area.

According to the terms of the contract, Exhibit A, the purchase price for the assets which were a part of applicant's water system on November 1, 1954, is \$305,000, plus the installed cost of assets installed after said date. The application states that on April 15, 1955, the District, by a two-thirds vote, voted bonds for the purpose of paying the cost of applicant's water system and for other costs of the District.

Exhibit A also provides that the sale of applicant's water system shall be subject to or free and clear of existing contracts for consumers' advances and reimbursements at the option of the company. Exhibit B, attached to the application, is a copy of a Declaration of Trust with the Bank of America National Trust and Savings Association, Trustee, which provides for the deposit by applicant of \$167,808.05 in trust therewith. Said sum, modified to be \$168,042.01 by a letter from applicant's counsel to the Commission dated June 3, 1955, represents the total amount of contracts for consumers' advances and reimbursements which have been entered into by applicant for its Twentynine Palms water system up to November 1, 1954. Consumers' advances for construction which have been entered into by Pacific Water Co. after November 1, 1954 shall become the obligation of and inure to the benefit of Twentynine Palms County Water District. Exhibit B provides for the disbursement of sums by the Trustee to consumers when contracts become due and payable.

The amount of consumers' deposits held by Pacific Water Co. as of March 31, 1955 for the Twentynine Palms area was \$2,904.14 which applicant will repay to consumers upon completion of the sale of its water system properties.

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

The Commission has considered this application, is of the opinion that a public hearing is not necessary, that the proposed transfer will not be adverse to the public interest, and that it should be granted; therefore,

IT IS HEREBY ORDERED as follows:

1. Pacific Water Co., a corporation, may, on or after the effective date hereof and on or before December 31, 1955, sell and transfer the hereindescribed public utility property to Twentynine Palms County Water District pursuant to the contract of purchase included in the application as Exhibit A.
2. Pacific Water Co., a corporation, may, on or after the effective date hereof and prior to the actual date of the transfer of property authorized hereinabove, transfer from the purchase price received by it to Bank of America National Trust and Savings Bank amounts representing all consumers' advances and reimbursements which were entered into by it prior to November 1, 1954, such transfer of amounts to be in accordance with the declaration of trust, Exhibit B attached to the application.
3. On or before the actual date of transfer Pacific Water Co., 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.
4. If the authority herein granted is exercised, Pacific Water Co., 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 their compliance with the conditions hereof.
5. Upon due compliance with all of the conditions of this order, said Pacific Water Co., a corporation, shall stand relieved of all further public utility obligations and liabilities in connection with its Twentynine Palms 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 5th day of July, 1955.

Justin F. Gaeum
 President
Donald H. ...
Montgomery ...
...
 Commissioners