

ORIGINALDecision No. 52278

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of CALIFORNIA COTTON)
 COOPERATIVE ASSOCIATION, LTD., a)
 California corporation, and the)
 PINEDALE COUNTY WATER DISTRICT for)
 permission to sell a portion of the) Application No. 37332
 physical assets of the YOSEMITE)
 GARDENS WATER COMPANY, to the)
 PINEDALE COUNTY WATER DISTRICT, and)
 grant said District the right to)
 operate a portion of said system.)

OPINION AND ORDER

California Cotton Cooperative Association, Ltd.,^{1/a}
 California corporation operating a public utility water system
 under the name of Yosemite Gardens Water Company, by application,
 filed on September 26, 1955, seeks authority from this Commission
 to sell a portion of the physical assets of its water system to
 the Pinedale County Water District,^{2/} and to carry out the terms
 of a license agreement with said District, which joins in the
 application. The terms and conditions of the sale are set forth
 in the contract of purchase, dated June 16, 1955, a copy of which
 is attached to the application as Exhibit "A". The terms and
 conditions of the license agreement, also dated June 16, 1955, are
 set forth in Exhibit "B" attached to the application.

Under the terms of the contract the Association proposes
 to sell to the District its water system properties described
 therein for the sum of \$17,500 plus the cost of such additions and
 improvements as may be made by the Association as required in order
 to maintain adequate service. The purchase price is to be paid
 from the proceeds of bonds authorized by the voters of the District.

^{1/} Sometimes herein called Association.

^{2/} Sometimes herein called District.

The Association was granted a certificate of public convenience and necessity by this Commission by its Decision No. 45514, dated April 3, 1951, in Application No. 32222. Water is furnished by the Association for residential and fire protection purposes in a portion of Section 32, Township 12 South, Range 20 East, Mt. Diablo Base and Meridian in the County of Fresno. The service area of the Association's water system is stated to be partly within and partly without the boundaries of the District. It is noted that the Association's properties situated within the District boundaries are those to be transferred while certain of its properties which lie outside the District boundaries are to be operated under the license agreement before mentioned.

The balance sheet of the Association, attached to the application as Exhibit "C", shows utility plant and reserve for depreciation of \$30,417.89 and \$5,300.00, respectively, as of June 30, 1954, thus indicating a depreciated utility plant of \$25,117.89 for the entire water system properties.

The license agreement provides that the Association will grant to the District the exclusive right to operate and maintain the portion of the domestic and industrial water system lying outside the District boundaries. The agreement also provides that the operation shall begin on the same day that the District begins operation of the portion of Association's properties located within the boundaries of the District, and that it is effective until the first day of July, 1960. Subsequent to said date, the terms of the agreement provide that it shall be effective unless either of the parties thereto delivers written notice to terminate the agreement to the other party before July 1 of the year preceding the effective date of termination.

The reasons given for the proposed transfer are that Association's water distribution system would require reconstruction

and substantial extensions in order to provide an adequate supply of water for Association's service area and that of the District, and that the voters of the District have voted to issue bonds in the amount of \$125,000 for the purpose of acquiring Association's water system and extending it to provide the District with a water supply for domestic and fire protection purposes.

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. California Cotton Cooperative Association, Ltd., a corporation, may, on or after the effective date hereof and on or before March 1, 1956, sell and transfer the portion of its public utility properties lying within the boundaries of the Pinedale County Water District to the District substantially in accordance with the terms of the contract of purchase, included in the application as Exhibit "A", except as herein otherwise noted.
2. On or before the date of actual transfer, California Cotton Cooperative Association, Ltd., 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. California Cotton Cooperative Association, Ltd., shall, within thirty days after the date of actual 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, California Cotton Cooperative Association, Ltd., 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.

With respect to that portion of the Association's service area which lies outside of the District boundaries,

IT IS HEREBY FURTHER ORDERED that:

1. California Cotton Cooperative Association, Ltd., may, on or after the effective date hereof and on or before March 1, 1956, enter into the license agreement with the Pinedale County Water District substantially in accordance with the terms of said agreement, included in the application as Exhibit "B", except as herein provided.
2. Upon receiving or giving notice of the termination of the license agreement by the Association, it shall immediately notify the Commission of this fact.
3. At least thirty days prior to the resumption of public utility water service in the area outside of the District's boundaries, the California Cotton Cooperative Association, Ltd., shall refile its rates and rules to make them applicable to the area then to be served.
4. Upon due compliance with all of the conditions of this order, said California Cotton Cooperative Association, Ltd., shall stand relieved of all further public utility obligations and liabilities in connection with the operation of the portion of the water system herein authorized to be transferred, but shall not stand relieved of its public utility obligation to render service to its customers located in that area covered by the license agreement, outside the boundaries of the Pinedale County Water District.

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

Dated at San Francisco, California, this 23rd day of November, 1955.

[Signature]
 President

[Signature]

[Signature]

[Signature]
 Commissioners