

**ORIGINAL**Decision No. 52314

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 PACIFIC WATER CO., a California cor- )  
 poration, to sell its water system )  
 known as the LAMONT SYSTEM to )  
 LAMONT PUBLIC UTILITY DISTRICT under )  
 Section 851 of the Public Utilities )  
 Code. )

Application No. 37419

OPINION AND ORDER

Pacific Water Co.,<sup>1</sup> a corporation, by the above-entitled application filed October 19, 1955, seeks authority to sell its Lamont Water System to Lamont Public Utility District,<sup>2</sup> which joins in the application. The terms and conditions of the proposed transfer are set forth in the contract of purchase, an undated copy of which is attached to the application as Exhibit A.

The Lamont System was formerly operated as a public utility by Mountain Properties, Inc., under a certificate of public convenience and necessity granted by the Commission in its Decision No. 47212, issued June 5, 1952, in Application No. 33206. Pacific acquired the Lamont Water System from its predecessor, Mountain Properties, Inc., in accordance with the provisions of Decision No. 48648, dated June 1, 1953, in Application No. 34371.

Authority for the transfer is stated to be sought for the reason that District is prepared to parallel the mains of the Lamont System if Pacific is not willing to sell this system to it. District is a political subdivision of the State of California and the application states that the boundaries of District completely embrace those of Pacific's Lamont System service area.

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1 Sometimes hereinafter called Pacific.

2 Sometimes hereinafter called District.

The terms of the contract of purchase, entered into on September 21, 1955, according to the application, provide that the consideration for the transfer of the Lamont System will be (1) a payment to Pacific of \$40,000, (2) the payment by District of the balance due on original contracts entered into by Pacific for purchase of certain mutual systems which are now part of the Lamont System and (3) that District is to assume and pay all outstanding consumers' advances for construction applicable to the Lamont System. The total outstanding balance on such contracts and consumers' advances is stated by Pacific to be not in excess of \$28,000.

The assets to be sold, described in detail in the contract of purchase, consist of approximately 27,500 feet of pipe varying in size from 2 to 8 inches in diameter, two parcels of land and two wells situated thereon, a pump and two pressure tanks. All meters, meter boxes and meter connections are to be removed by District and are to be returned to Pacific within ninety days of the transfer.

The application states that Pacific holds certain customers' deposits for the Lamont Water System and that Pacific will refund the amount of all such deposits to the customers upon completion of this sale. It is noted in the above-referred to contract of purchase that the terms thereof contain the following language:

"In case of dispute between the parties, as to necessary changes and additions, the determination of a hydraulic engineer of the Public Utilities Commission shall be final and binding upon the parties."

Such provision is inappropriate and the transfer authorized herein-after shall not be construed to approve such procedure.

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. Pacific Water Co., 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 known as Lamont Water System to the Lamont Public Utility District substantially in accordance with the terms of the contract of purchase, Exhibit A attached to the application, except that the provision of numbered paragraph 4 relative to a determination by a Commission hydraulic engineer, in case of dispute, is specifically excluded from the authority herein granted.
2. On or before the date of actual transfer, Pacific Water Co. 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. Pacific Water Co. 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 which are to be assumed and paid by the Lamont Public Utility District, the amounts thereof, and the names of persons or corporations in whose favor such obligations exist.
4. If the authority herein granted is exercised, Pacific Water Co. 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. Pacific Water Co., if the authority herein granted is exercised, shall, within thirty days after the date of actual transfer, revise its presently filed tariff schedules for its Lamont-Wasco Service Area, including tariff service area map, in accordance

with the procedure prescribed by General Order No. 96, to provide for the application of said tariff schedules to the remaining area to be served after the transfer of properties authorized by this order. Such rates, rules and tariff service area map shall become effective upon five days' notice to the Commission and to the public after filing as hereinabove provided.

6. Upon due compliance with all of the conditions of this order, Pacific Water Co. 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 5<sup>th</sup> day of December, 1955.

*[Signature]*  
 President

*Justin J. Cramer*

*Royce Westerman*

*Marion Shelby*

*[Signature]*  
 Commissioners