

**ORIGINAL**Decision No. 52937

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of IDYLLWILD WATER COMPANY, a )  
 corporation, and the IDYLLWILD COUNTY )  
 WATER DISTRICT for permission to sell the )  
 physical assets of the IDYLLWILD WATER ) Application No. 37742  
 COMPANY, to the IDYLLWILD COUNTY WATER ) (Amended)  
 DISTRICT. )

OPINION AND ORDER

Idyllwild Water Company,<sup>1/</sup> a corporation, by application filed on February 14, 1956, seeks authority from this Commission to sell its physical assets to Idyllwild County Water District,<sup>2/</sup> which joins in the application. The terms and conditions of the sale are set forth in the Contract of Purchase, dated November 10, 1955, 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 \$144,753.30 plus the cost of such capital additions and improvements as have been made by the Company subsequent to June 30, 1955. The purchase price is to be paid from the proceeds from the sale of bonds authorized by the voters of the District at an election held on January 17, 1956.

The Company's predecessor, Idyllwild, Inc., was granted a certificate of public convenience and necessity by this Commission by its Decision No. 10301, issued April 12, 1922, in Application No. 7382. Subsequently, Idyllwild, Inc., was granted authority to transfer its water system properties to Idyllwild Water Company, the applicant herein, by this Commission in its Decision No. 25459,

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1/ Sometimes herein called Company.

2/ Sometimes herein called District.

issued December 19, 1932, in Applications Nos. 18151 and 18323. Water is furnished by the Company for residential and fire protection purposes in an unincorporated area known as Idyllwild, Riverside County. The service area of the Company is stated to be entirely within the boundaries of the District.

The balance sheet of the Company as of June 30, 1955, attached to the application as Exhibit "B", shows utility plant of \$112,267.60 and reserve for depreciation of \$51,121.08, thus indicating a depreciated utility plant of \$61,146.52 for the water system properties to be transferred herein. However, the foregoing figures do not include certain watershed lands described as Parcel No. 8 in Exhibit "A", which are reported to have been acquired by the Company after June 30, 1955. It is stated in the amendment to the application that the value of these watershed lands was placed at \$109,922 in an appraisal of the assets to be transferred and that this appraisal was used as a basis for negotiating the purchase price.

The balance sheet of the Company included in its annual report to the Commission as of December 31, 1954, shows the total utility plant and reserve for depreciation of \$111,743.63 and \$51,121.08, thus indicating a depreciated utility plant of \$60,622.55.

It is noted in the above-mentioned Contract of Purchase that the terms thereof provide for a determination by the Commission in the event that disputes arise between the seller and its customers. We refrain from passing on this provision of the agreement.

It is stated in the application that as of the date of submission of the application there were no contracts for customers' advances for construction nor any customers' deposits outstanding.

Authority for the transfer is stated to be sought for the reason that the District proposes to reconstruct and extend the

system in order to more adequately serve the territory included within its boundaries.

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. Idyllwild Water Company, a corporation, may, on or after the effective date hereof and on or before September 30, 1956, sell and transfer its public utility properties to the Idyllwild County Water District substantially in accordance with the Contract of Purchase, included in the application as Exhibit "A", except that the provision of numbered paragraph 10 relative to the determination by the Commission in case of disputed bills is specifically excluded from the authority herein granted.
2. On or before the date of actual transfer, Idyllwild Water Company shall refund all customers' 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. Idyllwild Water Company shall, within thirty days after the date of actual transfer, file with this Commission a verified statement showing all obligations to make refunds of customers' advances for construction, if any, the amounts thereof, and the names of persons or corporations

in whose favor such obligations exist as of the date of transfer.

4. If the authority herein granted is exercised, Idyllwild 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 Idyllwild 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 24th day of April, 1956.

[Signature]  
President  
Justus J. Crane  
[Signature]  
[Signature]  
[Signature]  
Commissioners