

ORIGINALDecision No. 53512

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of PORTOLA WATER COMPANY,)
 a corporation, for an order authorizing)
 it to lease with option to purchase its) Application No. 35188
 water system to the City of Portola.)

SECOND SUPPLEMENTAL ORDER

The Commission by Decision No. 50328, dated July 27, 1954, and Decision No. 50565, dated September 21, 1954, authorized the Portola Water Company to lease its water system to the City of Portola in accordance with terms of the agreement attached to the application as Exhibit "B" as modified.

The agreement also gave the City of Portola the right to purchase said water system.

Decision No. 50328 directed Portola Water Company not to effect a sale and transfer of its properties and operating rights until the permission of this Commission had been secured.

By this application the Commission is requested to authorize Portola Water Company to transfer such properties and operating rights to the City of Portola.

The allegations of the application indicate:

1. That subsequent to July 27, 1954, Portola Water Company leased its properties and operating rights comprising its water system to the City of Portola.
2. That before the date of actual transfer Portola Water Company refunded all deposits which customers were entitled to have refunded.

3. That Portola Water Company notified the Commission of the transfer of the operation of the water system and of its compliance with the conditions of the Commission's order contained in Decisions Nos. 50328 and 50565.

4. That on December 6, 1955, the voters of the City of Portola passed a revenue bond issue in the amount of \$225,000 to enable the City to complete the purchase of the water system and to make certain improvements thereto.

5. That preparations for the sale of the bonds are now in progress.

6. That the sale of the bonds will be completed within sixty days from June 15, 1956.

7. That it is the intention of the City of Portola to purchase the properties and operating rights as soon as the proceeds of the bond sale can be made available.

Under the circumstances here disclosed the Commission finds that the public interest will not be adversely affected by approval of the transfer involved herein. The application will be granted. The action taken herein shall not be construed to be a finding of the value of the rights and properties authorized to be transferred.

O R D E R

An application having been filed, and the Commission being of the opinion that the authority requested should be granted,

IT IS ORDERED:

(1) That Portola Water Company may sell and transfer, on or before November 1, 1956, the rights and properties comprising its entire water system to the City of Portola, such sale and transfer to be made in accordance with:

(a) The terms of the agreement, dated November 18, 1953, as modified by City of Portola Resolution No. 163, dated August 9, 1954, and

(b) The first supplemental application, dated June 15, 1956 and filed July 6, 1956.

(2) That within five days after completion of the transfer herein authorized Portola Water Company shall notify the Commission in writing of that fact and within said period shall file with it true copies of the instruments executed to effect the transfer.

(3) That upon the consummation of the sale and transfer herein authorized and upon due compliance with the conditions of this order Portola Water Company is relieved of all public utility obligations in connection with the said Portola Water Company system.

This order is effective as of the date hereof.

Dated at San Francisco, California, this 31st day of July, 1956.

[Signature]
President
[Signature]
[Signature]
[Signature]
Commissioners