

Decision No. 54240**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 CITIZENS UTILITIES COMPANY OF CALIFORNIA,)
 a California corporation, and BEN ALI)
 WATER COMPANY, a California corporation,)
 for an order authorizing Ben Ali Water)
 Company to sell and transfer its water)
 system serving Arden Highlands Subdi-)
 vision, Sacramento County, California,)
 to Citizens Utilities Company of Califor-)
 nia.)

Application No. 38190
(Amended)

Orrick, Dahlquist, Herrington and Sutcliffe by
Warren A. Palmer, for Citizens Utilities
 Company of California.

Gail Bash, for Ben Ali Water Company;
William T. Sweigert, for Arden Highlands Asso-
 ciation.

Sidney J. Webb and George F. Tinkler, for the
 Commission's staff.

O P I N I O N

Citizens Utilities Company of California (sometimes hereinafter referred to as Citizens) requests authority to purchase the water system serving Arden Highlands Subdivision (sometimes hereinafter referred to as Arden) in Sacramento County from Ben Ali Water Company (sometimes hereinafter referred to as Ben Ali).

A public hearing was held before Examiner Thomas E. Daly on October 25, 1956, at Sacramento.

The record discloses that Ben Ali acquired a water system in Arden allegedly pursuant to its Main Extension Rule No. 15. On May 31, 1955, the Commission by Decision No. 51527 granted Citizens a certificate of public convenience and necessity to serve a certain area which included Arden. As a result of the decision Citizens entered into an agreement on March 30, 1956, to purchase the system from Ben Ali for a cash consideration of \$15,000.

Under the terms of the proposed transfer agreement Citizens does not assume any obligation to refund any amounts which may be payable under the main extension agreement entered into by the subdivider of Arden with Ben Ali. Inasmuch as Ben Ali is to be relieved of its public utility obligation upon completion of the proposed transfer, the order herein will require any unrefunded portion of the amount subject to refund under the main extension agreement to be deposited in a trust fund from which refunds may be paid when due.

The protest of various residents of Arden was removed when Citizens agreed to place the proposed service on a flat rate basis. Metered service will be provided at the option of the customer or at the option of Citizens when water is furnished to business establishments or in accordance with its filed Rule and Regulation No. 16.

By amendment to the application Citizens requests authority to provide residential water service in Arden and certain adjacent areas at the flat rates currently being charged by Ben Ali in Arden. Further, Citizens seeks authorization to put into effect, in an area including Arden, different and higher meter rates than those authorized in that area by Decision No. 51527 in Application No. 35538. In the order to be issued herein, Citizens will be authorized to make effective the proposed flat rates in Arden only and in all other respects its rate requests will be denied.

By prior authorized sales Ben Ali has disposed of all of its water system except for that covered by the sale proposed herein. When this sale is completed applicant will cease to provide any public utility service. It was stated that within thirty days after the sale, holders of debentures affecting the entire system will be paid \$478,400, the face value thereof.

After consideration the Commission is of the opinion and so finds that the requested transfer of the properties referred to in the exhibits attached to the application and according to the terms of the agreements, as set forth in the copies attached to the application, as amended, and the conditions set forth herein, will not be adverse to the public interest. The action herein taken, however, shall not be construed to be a finding of the value of the properties herein authorized to be transferred.

O R D E R

Application having been filed and the Commission having been informed in the premises,

IT IS ORDERED:

1. That, after the effective date of this order and on or before May 1, 1957, Ben Ali Water Company is hereby authorized to transfer and Citizens Utilities Company of California is hereby authorized to purchase the public utility properties in Arden Highlands Subdivision as more particularly described in the exhibits attached to the original application.

2. That in so far as it relates to the area included within Arden Highlands Subdivision, Citizens is authorized to file, after the effective date of this order, the rates set forth in Appendix A attached to this order, to be effective on or before the date service is first rendered to the public under the authority herein granted, together with tariff service area map acceptable to this Commission and in accordance with the requirements of General Order No. 96. Such rates and tariff service area map shall become effective upon five days' notice to the Commission and to the public after filing as hereinabove provided.

3. That on or before the date of actual transfer Ben Ali Water Company shall refund all deposits which customers are entitled to have refunded; and that any unrefunded deposits shall be transferred to and become the obligation for refund of Citizens Utilities Company of California.

4. That the transfer requested to be authorized herein shall not become effective until Ben Ali Water Company first shall select a trust company and said trust company first shall have been approved by this Commission; and that Ben Ali shall have deposited with the said trust company the remaining amount subject to refund under the terms of the main extension agreement entered into by Ben Ali with the subdivider of Arden. Refunds to the subdivider shall be paid from the said amount deposited in trust as they become due under the terms of the main extension agreement. Within twenty days after the deposit has been made as provided above, Ben Ali shall file with this Commission a certified statement showing the date the deposit was made and the amount thereof.

5. That Ben Ali Water Company shall, within sixty days after the sale of said properties, file with this Commission a statement showing the date when it ceased to deliver water to the area involved and to which area water service is thereafter to be rendered by Citizens Utilities Company of California.

6. That on or before April 30, 1957, Ben Ali Water Company shall pay in full the holders of its outstanding debentures.

7. That upon due compliance with all the conditions of this order, said Ben Ali Water Company shall stand relieved of all further public utility obligations and liabilities in connection with the operation of the public utility water system hereinabove authorized to be transferred.

8. That in all other respects Application No. 38190 as amended is hereby denied.

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

Dated at San Francisco, California, this 11th day of DECEMBER, 1956.

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

APPENDIX A

Schedule No. AE-2R

Arden Highlands Tariff AreaRESIDENTIAL FLAT RATE SERVICEAPPLICABILITY

Applicable to all residential water service furnished on a flat rate basis.

TERRITORY

The unincorporated area known as Arden Highlands Subdivision near the intersection of Arden Way and Fulton Avenue, and Arden Estates subdivisions and vicinity, northerly of the American River, Sacramento County.

RATES

	<u>Per Service Connection Per Month</u>
For a single family residential unit including premises having an area of:	
5,000 sq.ft. or less	\$2.00
5,001 to 8,000 sq.ft.....	2.40
8,001 to 11,000 sq.ft.....	2.75
11,001 to 13,000 sq.ft.....	3.00
13,001 to 15,000 sq.ft.....	3.25
15,001 to 20,000 sq.ft.....	3.75
20,001 to 25,000 sq.ft.....	4.00
25,001 to 30,000 sq.ft.....	4.50
30,001 to 35,000 sq.ft.....	5.00
35,001 to 40,000 sq.ft.....	5.50
40,001 to 45,000 sq.ft.....	6.00
Over 45,000 sq.ft., each additional 10,000 sq.ft., or fraction thereof.....	0.75
For each additional residential unit on the same premises and served through the same service connection	1.50

SPECIAL CONDITION

Motors may be installed at option of customer, or at option of utility for service furnished to business establishments, or as provided by utility's filed Rule and Regulation No. 16.