

ORIGINAL

Decision No. 55165

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of

CRESCENT CITY WATER COMPANY,
a corporation, for an Order
authorizing the Transfer of
its Utility Property to CITY
OF CRESCENT CITY, a Municipal
Corporation.

Application No. 39360

OPINION AND ORDER

Crescent City Water Company^{1/}, a corporation, by applica-
tion filed August 23, 1957, seeks authority from this Commission
to sell its public utility water properties to City of Crescent
City^{2/}, which joins in the application.

Under the terms of the instrument entitled "Agreement",
dated July 29, 1957, a copy of which is attached to the application
as Exhibit No. 2, Company proposes to sell to City its water system
properties described in said agreement for the sum of \$175,448.12,
plus certain additions and deductions more particularly described
in the agreement, after which City will assume all of Company's
utility obligations and obligations for customers' deposits and
advances for construction.

1/ Sometimes herein called Company.

2/ Sometimes herein called City.

Company purchased the water system under authority of this Commission's Decision No. 38507, in Application No. 27124, issued December 14, 1945. Water is furnished by it to approximately 1,500 customers in the area comprising the City of Crescent City and vicinity, Del Norte County.

The balance sheet of Company, dated March 31, 1957, attached to the application as Exhibit 1-A, shows the total utility plant to be \$274,765.56, and a reserve for depreciation of \$88,016.08, thus indicating a depreciated utility plant of \$186,749.48 for the water system properties proposed to be transferred.

The application states that the City proposes to operate Company's properties without interruption of utility service to those who now comprise Company's customers.

Authority for the transfer is stated to be sought for the reason that the public interest and necessity require that large expenditures be made to obtain new and greater water supply which will enable the construction of system improvements and permit system extensions not feasible under private ownership.

The closing date specified in the agreement is to be October 15, 1957, provided this Commission approves said transfer prior to September 1, 1957. An election has been held in the City and the issuance of bonds has been approved by the City's electorate. For this reason authority for transfer will be granted effective on the date hereof.

The action taken herein shall not be construed as a finding of 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. Crescent City Water Company, a corporation, on and after the effective date hereof and on or before March 31, 1958, may sell and transfer the herein described public utility properties to City of Crescent City pursuant to the agreement included in the application as Exhibit 2.

2. Crescent City Water Company shall, within 15 days after the date of actual transfer, file with this Commission a verified statement showing that City of Crescent City assumes all obligations for advances for construction and deposits for which consumers are entitled to have refunded, including the names and addresses of all persons or corporations in whose favor all obligations for advances for construction exist and the respective amounts thereof.

3. If the authority herein granted is exercised, Crescent City Water Company shall, within 30 days thereafter, notify this Commission in writing of the date of completion of the property transfer herein authorized.

4. That upon due compliance with the conditions of this order, Crescent City Water Company shall stand relieved of all further public utility obligations and liabilities in connection with the operation of the water system properties herein authorized to be transferred.

The authority herein granted shall become effective on the date hereof.

Dated at Los Angeles, California, this 27th day of August, 1957.

President
Paul H. Winter

H. H. H. H.

E. L. H. H.

Commissioners