

ORIGINAL

Decision No. 55730

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of ALMADEN WATER COMPANY, a corporation, for authorization to transfer its business, assets and operating rights to LAWRENCE PROPERTIES COMPANY, a corporation, and of LAWRENCE PROPERTIES COMPANY to sell and transfer said business, assets and operating rights to SANTA CLARA VALLEY WATER CONSERVATION DISTRICT.

Application No. 39961

OPINION AND ORDER

Almaden Water Company,^{1/} a corporation, by application filed April 3, 1958, seeks authority to transfer its public utility water system properties to Lawrence Properties Company,^{2/} a corporation, and the latter, in turn, to sell these utility properties, with certain minor exceptions,^{3/} to Santa Clara Valley Water Conservation District. Lawrence and District join in the application.

The terms and conditions of the proposed sale to District are set forth in a written agreement, dated March 5, 1958, entitled "Agreement to Purchase Water System". A copy of the agreement is attached to the application as Exhibit "A". The agreement prescribes that Lawrence, which holds all the outstanding capital stock and indebtedness of Almaden, is to cause all of Almaden's assets to be distributed to it by liquidation, merger or otherwise. Lawrence, upon acquisition of the assets, is to transfer the water system properties to District with the exception of a one and one-half acre

1/ Sometimes herein called Almaden.
2/ Sometimes herein called Lawrence.
3/ Sometimes herein called District.

parcel of land including a residence and orchard, which parcel is stated to be not necessary for the operation of the utility. The properties to be transferred are described in the agreement, Exhibit "A". In consideration for the transfer District agrees to pay Lawrence the sum of \$70,000 in cash.

Almaden requests authority to transfer the above mentioned one and one-half acre parcel of land to one of its employees. Provided that this parcel is in fact not operative utility property, as stated by Almaden, such authorization is not required.

The utility's annual report to the Commission for the year ending December 31, 1957, shows total utility plant of \$36,795.40 and a depreciation reserve of \$11,763.55, indicating a net utility plant of \$25,031.85.

The reasons given for the proposed transfer are that District will be better able to continue operations of Almaden's system and to furnish service to Almaden's customers.

The subject water system is located in the Guadalupe Creek area of Santa Clara County, about five miles south of the City of San Jose. Records of the Commission indicate that the system operates under certificates of public convenience and necessity granted by Decision No. 31234, dated August 27, 1938, in Application No. 21906; Decision No. 31509, dated December 5, 1938, in Application No. 22253; and Decision No. 41337, dated March 23, 1948, in Application No. 28857. Decision No. 41337 also authorized the transfer of the system to Almaden. At the present time Almaden is furnishing water for irrigation purposes to approximately 30 customers.

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. Almaden Water Company may, on or after the effective date hereof and on or before October 31, 1958, transfer its public utility water system properties to Lawrence Properties Company substantially in accordance with the terms and conditions set forth in the application.

2. Lawrence Properties Company may, upon acquisition of the assets of Almaden Water Company and on or before October 31, 1958, sell and transfer the public utility water system properties to Santa Clara Valley Water Conservation District substantially in accordance with the terms and conditions of the agreement attached to the application as Exhibit "A".

3.

- (a) Almaden Water Company shall, on or before the date of actual transfer of its public utility water system properties to Lawrence Properties Company, refund all customers' deposits and advances for construction which are subject to refund, if any; any such unrefunded deposits and advances shall be transferred to and become the obligation for refund of Lawrence Properties Company.
- (b) Lawrence Properties Company shall, on or before the date of actual transfer of the former Almaden Water Company public utility water system properties to Santa Clara Valley Water Conservation District, refund all customers' deposits and advances for construction which are subject to refund, if any, and within thirty days thereafter, notify this Commission in writing of the date of the completion of such refunding.

4. If the authority herein granted is exercised, Almaden Water Company and Lawrence Properties Company shall each, within thirty days thereafter, notify this Commission in writing of the date of its respective completion of the property transfers herein authorized and of their respective compliance with the conditions hereof.

5. Upon due compliance with all the conditions of this order, Almaden Water Company and Lawrence Properties Company shall stand relieved of all further public utility obligations and liabilities in connection with the operation of the public utility 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 27th day of March, 1958.

[Signature]
President

[Signature]

[Signature]

[Signature]

Commissioners