

ORIGINALDecision No. 57088

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 CALIFORNIA WATER SERVICE COMPANY, a
 corporation, for an order authorizing
 (1) the sale and transfer to San Ramon
 Valley County Water District of public
 utility water properties in San Ramon
 Valley, Contra Costa County, and (2)
 the discontinuance of service by
 Company in the San Ramon Valley area
 of Contra Costa County.

Application No. 40076

O P I N I O N

The joint application of California Water Service Company, San Ramon Valley County Water District and East Bay Municipal Utility District, filed May 12, 1958, seeks authority for the Company to sell and transfer its San Ramon Valley public utility water system, in Contra Costa County, to the County Water District, which, in turn, proposes to convey the properties to the Utility District. The Company also requests authority to withdraw from public utility service in the San Ramon Valley whenever the Utility District has undertaken water service in that area, following contemplated annexation of the County Water District by the Utility District.

A copy of the proposed annexation agreement is attached to the application as Exhibit 1. The transfer agreement, which includes a detailed description of the properties, comprises Exhibit 2 of the application.

The stated consideration for the transfer is \$1,765,000, to which is to be added the amount of net additions made by the Company from July 1, 1956 to the closing date, subject to deduction

of an amount equal to the balance of unrefunded advances for construction. The County Water District agrees to assume the Company's obligations under all main extension agreements relating to the San Ramon Valley system and the Company agrees to refund all customers' deposits in said system. The Utility District has agreed to undertake service in the San Ramon Valley area described in Exhibit 1, provided any terms and conditions upon which the requested authorizations are granted are acceptable to it, and there is delivered to said Utility District an acceptable conveyance of title to the facilities required to be transferred to it under the provisions of Exhibit 1.

The original cost of the properties proposed to be transferred is alleged in the application to have been \$1,849,425 as of June 30, 1956, which, with an estimated depreciation reserve of \$71,166, indicates a net utility plant of \$1,778,259, as of June 30, 1956. The voters of the County Water District, at a special election held on November 26, 1957, authorized a bond issue in the amount of \$3,500,000 to defray the cost of water facilities, which include those proposed to be acquired pursuant to Exhibit 2.

The properties to be transferred comprise that portion of the Company's Contra Costa District lying south of the City of Walnut Creek, including the unincorporated communities of Alamo and Danville and territory in the vicinity thereof. Commission records indicate that the Company operates its San Ramon Valley system under a certificate of public convenience and necessity granted by Decision No. 23838, dated June 29, 1931, in Application No. 17407.

Applicants ask for expedited treatment of this application because of the numerous procedural steps involved in the annexation

proceedings, which, it is alleged, cannot be taken until the requested authorizations are granted.^{1/} The request appears to be a reasonable one in the circumstances and it should be granted.

We find that the proposed transfer will not be adverse to the public interest. The application, accordingly, should be granted. The action taken herein, however, shall not be construed to be a finding of the value of the properties herein authorized to be transferred. A public hearing is not deemed necessary.

O R D E R

The Commission having considered the application and basing its order upon the findings and conclusions contained in the foregoing opinion,

IT IS HEREBY ORDERED that:

1. California Water Service Company, a corporation, may, on or after the effective date hereof and on or before December 31, 1958, sell and transfer the public utility properties hereinbefore described to San Ramon Valley County Water District, substantially in accordance with the terms and conditions of the agreement attached to the application herein as Exhibit 2 thereof.

2. California Water Service Company and San Ramon Valley County Water District, shall, on or before the date of actual transfer, file with this Commission a verified statement showing that San Ramon Valley County Water District assumes all obligations for refund of advances for construction, pursuant to the provisions of paragraph 5 of Exhibit 2 attached to the application and shall, within thirty days

^{1/} A written protest, dated May 17, 1958, against granting the application until assured of water service from the Company or its successors, followed by a formal complaint (Case No. 6115), was received by the Commission from Ray O'Flyng and Anne M. O'Flyng, his wife. The O'Flyngs have requested dismissal of their complaint, following informal settlement of their controversy with the Company. An order dismissing the complaint in that case is being issued today.

after the date of actual transfer, file with this Commission certified copies of instruments showing the names and addresses of all persons or corporations in whose favor such obligations exist and the respective amounts thereof. The foregoing requirements shall constitute a condition of the authority herein granted.

3. California Water Service Company, on or before the date of actual transfer, 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.

4. California Water Service Company, if the authority herein granted is exercised, and within thirty days thereafter, shall notify this Commission in writing of the date of completion of the property transfer herein authorized and of its compliance with the conditions of this order.

5. California Water Service Company, upon due compliance with all conditions of this order, shall stand relieved of all further utility obligations and liabilities in connection with the properties herein authorized to be transferred.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 29th day of July, 1958.

E. Lynn Fox
President
Arthur E. Mitchell
Ray S. Wetburn
Theodore J. Jones
Commissioners