

ORIGINAL

Decision No. 58135

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of )  
WELLS WATER SERVICE, a corporation ) Application No. 40753  
for an Order Authorizing the Transfer )  
of Utility Property to ARCADE COUNTY )  
WATER DISTRICT. )

OPINION AND ORDER

Wells Water Service,<sup>1/</sup> a corporation, by application filed January 19, 1959, seeks authority to sell and transfer its public utility water system to Arcade County Water District,<sup>2/</sup> which joins in the application.

The water system proposed to be transferred serves unincorporated subdivisions known as Walnut Glen, Columbia Rancho, and Del Dayo Estates, Sacramento County. Commission records indicate that the utility served approximately 65 customers as of the end of the year 1957.

The terms and conditions of the proposed transfer are set forth in an instrument entitled "Agreement," a copy of which is attached to the application as Exhibit "A". This agreement, dated November 10, 1958, provides that Seller is to transfer all of the assets and properties comprising its water supply and distribution system to District.

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<sup>1/</sup> Sometimes hereinafter called "Seller."

<sup>2/</sup> Sometimes hereinafter called "District."

The consideration for the transfer is the sum of \$32,500, of which \$7,500 is to be payable upon the consummation of the sale, and the balance is to be payable in annual installments of \$5,000, together with interest at the rate of 5% per annum.

Seller is to continue to operate the system until the time of transfer. The system is to be transferred to District free and clear of all taxes, liens and encumbrances, excepting taxes and assessments not delinquent. District is to assume all utility obligations of seller consisting of all service commitments in favor of customers in effect on the date of transfer.

The system was established pursuant to a certificate of public convenience and necessity granted to Seller by Decision No. 51740, dated July 26, 1955, in Application No. 36808.

The utility's annual report to the Commission for the year ended December 31, 1957, shows utility plant as of that date in the amount of \$45,055.00, and depreciation reserve in the amount of \$2,263.43, indicating net utility plant in the amount of \$42,791.57.

The application states that the proposed transfer will be in the public interest since the public character of District will qualify it as a prospective preferential customer of the Folsom Dam project, and since operating economies resulting from public operations will enable District to make improvements and extensions not feasible under private ownership.

The action taken herein shall not be construed to be a finding of the value of the property 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. Wells Water Service may, on or after the effective date hereof and on or before October 31, 1959, transfer its public utility properties to Arcade County Water District in accordance with the terms and conditions set forth in the instrument entitled "Agreement," a copy of which is attached to the application as Exhibit "A".

2. On or before the date of actual transfer, Wells Water Service shall refund all customers' deposits and advances for construction which are subject to refund, if any, and within thirty days thereafter shall notify this Commission in writing of the completion of such refunding.

3. If the authority herein granted is exercised, Wells Water Service shall, within thirty days thereafter, notify this Commission in writing of the date of such completion of the property transfer herein authorized and of its compliance with the conditions thereof.

4. Upon due compliance with the conditions of this order, Wells Water Service shall stand relieved of all further public utility obligations and liabilities in connection with the operation of the public utility properties 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 17th day of March, 1959.

[Signature]  
President  
[Signature]  
[Signature]  
Commissioners