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ORIGINAL

Decision No. 58647

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of INVESTMENT WATER)
CORPORATION, LTD., a corporation,)
for an order authorizing it to)
sell, transfer and convey a part) Application No. 41182
of its assets, system and other)
property pursuant to Section 851)
of the Public Utilities Code,)
State of California.)

OPINION AND ORDER

Investment Water Corporation, Ltd.^{1/}, by application filed May 28, 1959, seeks authority to sell and transfer a portion of its public utility water system to the City of Los Angeles^{2/}, which joins in the application.

The terms and conditions of the proposed transfer are set forth in an instrument entitled "Agreement of Purchase and Sale", a copy of which is attached to the application as Exhibit II. Set forth in this agreement are descriptions of the physical properties in the subject area to be transferred to City, including mains, service connections, meters, and fire hydrants, and of the facilities to be retained by Seller.

The consideration for the transfer is alleged to be approximately \$80,600. Under the terms of the agreement, the sale price is to be computed by additions and deductions for additional property, for depreciation expense, and for retirements, to the basic sum of \$57,000 as of December 31, 1955.

^{1/} Sometimes hereinafter called "Seller".
^{2/} Sometimes hereinafter called "City".

The adjusted original cost of the operating properties to be transferred is stated to be \$130,447.45, and the adjusted book cost amounts to \$99,037.84.

The application states that the facilities to be sold are located within the limits of the City of Los Angeles, and that the subject area is bounded on three sides by service areas of City's Department of Water and Power. Further, it is stated that it is the express policy of City's Department of Water and Power to serve water to those located within City, and that the proposed transfer will eliminate the possible necessity of a parallel or duplicate water supply system within the subject area, and that it is to the best advantage of Seller and its customers to concentrate upon service outside City.

City's Department of Water and Power is to supply water to Seller's present customers located in the subject area after the date of transfer.

One of the conditions set forth in the agreement is that all properties shall be transferred not later than June 30, 1959. Consequently, the application requests that urgent attention be given to this matter. For this reason, the authority granted herein will become effective five days after the date hereof.

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. Investment Water Corporation, Ltd., may, on or after the effective date hereof and on or before September 30, 1959, sell and transfer the herein-described public utility water system properties to the City of Los Angeles pursuant to the instrument entitled "Agreement of Purchase and Sale", a copy of which is attached to the application as Exhibit II.

2. On or before the date of actual transfer, Investment Water Corporation, Ltd., shall refund all outstanding customers' deposits, if any, in connection with the properties to be transferred, which are subject to refund, and within thirty days thereafter shall notify this Commission in writing of the completion of such refunding.

3. Investment Water Corporation, Ltd., shall, within thirty days after the date of actual transfer, file with this Commission a verified statement showing obligations to make refunds of advances for construction, if any, in connection with the properties to be transferred, the amounts thereof, and in whose favor such obligations exist as of the date of transfer.

4. If the authority herein granted is exercised, Investment Water Corporation, Ltd., shall, within thirty days thereafter, file in quadruplicate with this Commission, in conformity with General Order No. 96, a revised map of the area served subsequent to the transfer herein authorized, said map to become effective after five days' notice to the Commission and the public.

5. If the authority herein granted is exercised, Investment Water Corporation, Ltd., 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 hereof.

6. Upon due compliance with all of the conditions of this order, Investment Water Corporation, Ltd., is authorized to withdraw from public utility service within the area herein authorized to be transferred as of the actual date of delivery of its properties in such area to the City of Los Angeles.

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

Dated at San Francisco, California, this 23rd day of June, 1959.

E. J. Fox
President
E. J. [unclear]
William [unclear]
Theodore [unclear]
Evelyn [unclear]
Commissioners