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ORIGINAL

Decision No. _____

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 the City
 of Petaluma of the water system of
 Applicant in Sonoma County known as its
 Petaluma District Water System, and
 (2) the discontinuance of service by
 Applicant in the territory in Sonoma
 County now served by its Petaluma
 District Water System.

Application No. 41164

OPINION AND ORDER

By this application filed May 25, 1959, California Water Service Company,¹ a corporation, seeks authority to sell and convey its Petaluma Water System in Sonoma County to City of Petaluma,² which joins in the application.

A copy of the proposed transfer agreement is attached to the application as Exhibit B. The properties proposed to be transferred, described in an instrument entitled "Deed and Bill of Sale", attached to the application as Exhibit C, include water system facilities, motor vehicles, materials and supplies, rights of way, easements, and all lands except one parcel of nonoperative land which is specifically excluded.

The consideration for the proposed transfer is to be \$2,425,000, to which is to be added the total cost of plant additions, less retirements, during the period from January 1, 1959, to the date of transfer. An amount equal to the sum of unrefunded balances due, as of the date of transfer, under main extension contracts relating to the system, is to be deducted from the purchase price. The City

¹ Sometimes herein called Utility.

² Sometimes herein called City.

is to assume all of the Utility's obligations under such contracts. A list of main extension contracts, included as an exhibit to the agreement of sale, shows the sum of unrefunded balances due as of December 31, 1958, under such contracts to be \$98,488.08. Any sales or use tax that may be imposed as a result of the transfer is to be paid by the City.

The Utility is to retain all accounts receivable and cash. Customers' deposits to guarantee credit are to be paid to the City on the date of transfer and the City agrees to assume all of the Utility's obligations for the refund of such deposits.

The City agrees to undertake distribution of water to all customers served by the Utility's Petaluma Water System as of the date of transfer and to assume all public utility obligations of the Utility relating to water service in the City of Petaluma and vicinity.

Commission records indicate that the subject water system was constructed before 1912 and that no certificate of public convenience and necessity has ever been requested of nor issued by the Commission. The Utility acquired this system pursuant to authority granted by the Commission in Decision No. 19467, dated March 12, 1928, in Application No. 13514. As of December 31, 1958, the Utility served 5,245 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. California Water Service Company, a corporation, may, on or after the effective date hereof, and on or before November 30, 1959, sell and transfer the herein described public utility properties to the City of Petaluma pursuant to the agreement attached to the application as Exhibit B. The foregoing authority is conditional upon the following:

- (a) That California Water Service Company shall transfer all customers' deposits and advances for construction held by it to the City of Petaluma, and the latter shall receive and assume the obligations for repayment of such deposits and advances and they shall jointly file with this Commission, within thirty days after the date of actual transfer, certified copies of appropriate instruments showing the names and addresses of all persons or corporations in whose favor any of the said deposit and advance obligations exist and the respective amounts thereof.
- (b) The foregoing requirements of (a) of paragraph 1 hereof constitute conditions of the authority herein granted.

2. If the authority herein granted is exercised, California Water Service Company 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.

3. Upon due compliance with all of the conditions of this order, California Water Service Company shall stand relieved of all 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 7th day of July, 1959.

[Signature]
President

[Signature]

[Signature]

[Signature]
Commissioners