

Decision No. 59272**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 SOUTHERN PACIFIC COMPANY and MOJAVE)
 PUBLIC UTILITY DISTRICT for authority)
 for Southern Pacific Company to convey)
 to Mojave Public Utility District a)
 water system, including water rights,)
 pipelines, storage tanks, and facilities,)
 together with easements therefor, in)
 the County of Kern, State of California.)

Application No. 41520

OPINION AND ORDER

Southern Pacific Company, a corporation, hereinafter called Railroad, by application filed September 25, 1959, seeks authority to transfer and convey a water system to Mojave Public Utility District, hereinafter called District, which joins in the application.

The subject water system supplies water for Railroad's use near the community of Mojave, Kern County. A copy of the proposed transfer agreement is attached to the application as Exhibit A. The agreement contains a description of the properties proposed to be transferred which include land, water rights, pipelines, storage tanks, meters, hydrants and easements.

The consideration for the proposed transfer is to be the sum of \$200,000, of which \$50,000 relates to water rights and is to be paid within 120 days after authorization of the transfer by the Commission. The remaining sum of \$150,000 relates to water system facilities apart from water rights and is payable in equal annual installments over a period of 20 years with interest of 5% per annum on the decreasing balance. District is to have the option of making any such installment payments prior to maturity date or pay the entire balance of the purchase price at any time. The original cost

of the water system is alleged in the application to have been \$192,805.

The reasons given for the proposed transfer are that Railroad no longer requires the water system for common carrier service to the general public, that District requires the system for the purpose of fulfilling its needs and requirements to the property and parties served by District, and that Railroad is agreeable, by way of compromise, to transfer the subject system in order to settle an action in eminent domain brought by District for the purpose of condemning the subject water rights and system.

Commission records indicate that the water operations involved herein are not such as to define a public utility water system subject to Commission jurisdiction. Railroad's operations are, however, within this Commission's jurisdiction and, consequently, the effect of the subject property transfer upon Railroad's capability in common carrier operations has been evaluated.

District has requested by letter that action on the application be expedited in order that District may benefit from operating economies attendant upon the acquisition of the subject water facilities and that a settlement may be effected of condemnation litigation which has been pending and which both Railroad and District desire to have dismissed as soon as possible. The letter also states that further litigation has been threatened which may be avoided by consummation of this contract.

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

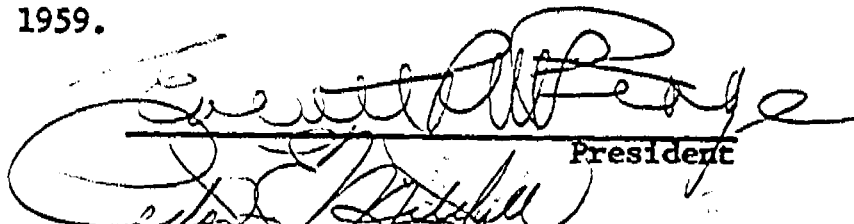
be adverse to the public interest, that a public hearing is not necessary, and that the application should be granted; therefore,

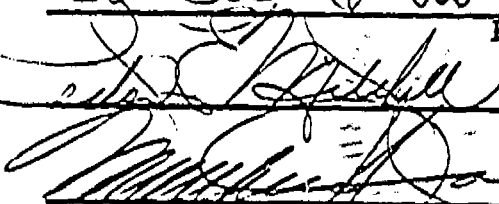
IT IS HEREBY ORDERED that:

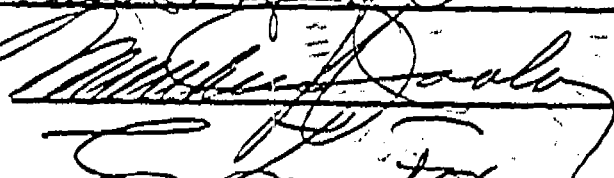
Southern Pacific Company, a corporation, may, on or after the effective date hereof, transfer and convey the herein described water system properties to Mojave Public Utility District pursuant to the terms of the agreement attached to the application as Exhibit A.

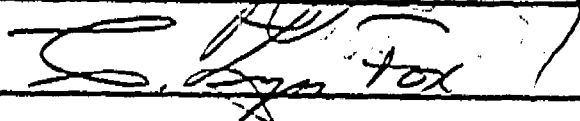
The effective date of this order shall be five days after the date hereof.

Dated at San Francisco, California, this 17th day of November, 1959.



President






Commissioners