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Decision No. 59446

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of RUNNING SPRINGS  
FOREST WATER CO. a California  
corporation, for Permit to Sell  
Its Physical Assets of RUNNING  
SPRINGS FOREST WATER CO. and  
other assets appurtenant to the  
water system thereof, to the  
RUNNING SPRINGS COUNTY WATER  
DISTRICT. )

) Application No. 41439

OPINION AND ORDER

Running Springs Forest Water Company,<sup>1/</sup> a corporation, by application filed August 28, 1959, seeks authority to sell and transfer its public utility water system to Running Springs County Water District,<sup>2/</sup> which joins in the application.

The subject water system serves the unincorporated community of Running Springs, which is located in the San Bernardino Mountains approximately six miles southeasterly of Lake Arrowhead, San Bernardino County. Commission records indicate that the utility served approximately 37 customers as of the end of the year 1958.

The terms and conditions of the proposed transfer are set forth in an instrument entitled "Option", dated May 8, 1959, a copy of which is attached to the application as Exhibit "A". All utility properties described in an inventory attached to the option are to be delivered to District free and clear of any lien or encumbrance, as indicated by a policy of title insurance, and all taxes are to be prorated as of the date of transfer. The application states that voters within the district have recently approved the sale of

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<sup>1/</sup> Sometimes herein called "Seller".  
<sup>2/</sup> Sometimes herein called "District"

District's bonds, one of the conditions upon which the transfer is contingent. The option states that the sale is also contingent upon the consummation of an agreement between Rim of the World Water Company and District, and that the agreed-upon amounts will be paid to the two utilities simultaneously, upon the completion of both transactions. By Application No. 41652, filed November 9, 1959, authorization for the sale and transfer of Rim of the World Water Company to District is sought from the Commission.

The consideration for the transfer of the subject utility properties is to be the sum of \$20,000 in cash.

Seller's annual report to the Commission for the year ended December 31, 1958, shows utility plant as of that date in the amount of \$39,879.55 and depreciation reserve in the amount of \$14,634.77, indicating net utility plant of \$25,244.78.

The application states that District encompasses all of Seller's service area and that District will continue domestic water service and fire protection service to all of applicant's customers if the authority herein sought is granted. It is alleged that Seller has insufficient customers to continue economic operation of the system, but that District, by acquiring Seller's system and other adjoining systems, will be able to operate economically and efficiently.

The system was established pursuant to the granting of a certificate of public convenience and necessity to an unincorporated association known as Running Springs Forest Water Company by Decision No. 42844, dated May 10, 1949, in Application No. 29435. Authorization of the transfer to the present owner was granted by Decision No. 52812, dated March 27, 1956, in Application No. 37513.

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. Running Springs Forest Water Company, a corporation, may, on or after the effective date hereof and on or before October 31, 1960, transfer its public utility water system properties to Running Springs County Water District in accordance with the terms and conditions set forth in the instrument entitled "Option", dated May 8, 1959, a copy of which is attached to the application as Exhibit "A".

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

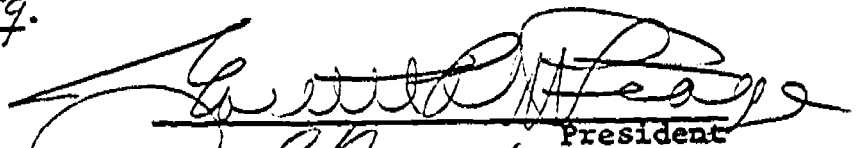
3. If the authority herein granted is exercised, Running Springs Forest Water Company shall, within thirty days thereafter, file with this Commission a certified copy of each deed or other instrument of conveyance as executed to effect the transfer of property hereinabove authorized.

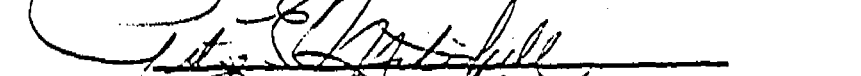
4. If the authority herein granted is exercised, Running Springs Forest Water Company shall, within thirty days thereafter, notify this Commission in writing of the date of completion of the property transfer herein authorized and of its compliance with the conditions hereof.


5. Upon due compliance with all of the conditions of this order, Running Springs Forest Water Company shall stand relieved of all further public utility obligations and liabilities in connection with the operation of the public utility water system herein authorized to be transferred.

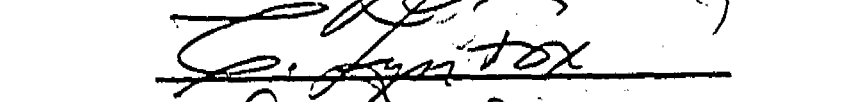
The effective date of this order shall be twenty days after the date hereof.

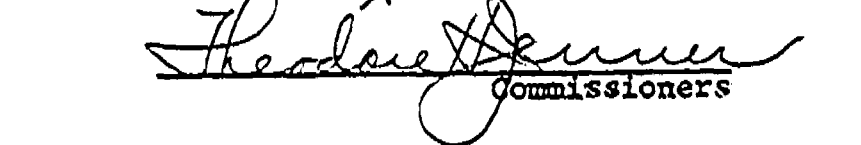
Dated at San Francisco, California, this 29<sup>th</sup> day of December, 1959.

  
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President

  
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Commissioner

  
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