

ORIGINAL

Decision No. 59773

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
SAN JUAN WATER COMPANY, a California
corporation, for an order authorizing
applicant to dispose of all of its
assets and dissolve and to transfer
water system to CAPISTRANO BEACH
COUNTY WATER DISTRICT.

Application No. 42022

O P I N I O N

San Juan Water Company, a corporation, by application filed on March 9, 1960, seeks authorization from this Commission to sell and transfer to Capistrano Beach County Water District the public utility water system properties it uses for furnishing water service in Serra, Capistrano Beach and Dana Point in the County of Orange.

Under date of August 11, 1959, as modified or amended on February 3, 1960, and as further modified or amended on February 25, 1960, February 26, 1960 and March 4, 1960, the parties hereto executed an agreement wherein San Juan Water Company proposes to sell to Capistrano Beach County Water District the water system properties described therein for a consideration of \$450,000, plus the actual cost of additional assets acquired since July 10, 1959. A copy of the agreement, the amendments thereto and the escrow instructions are attached to the application as Exhibit B. The basic purchase price of \$450,000, now on deposit with the escrow holder, is being paid from the proceeds

of a bond issue which was approved by the voters within the boundaries of the district.

The December 31, 1959 balance sheet of San Juan Water Company, attached to the application as Exhibit A, shows that the undepreciated book cost of the properties proposed to be transferred was \$613,396.68, as of December 31, 1959, and that the book value of said properties, after deducting the applicable reserve for depreciation, was \$372,300.92 as of the same date. Under the terms of the proposed agreement, only the physical properties of the water system are to be transferred. San Juan Water Company will retain its current assets and its current liabilities, except that pertaining to the reimbursement to Chandler-Sherman Corporation accruing subsequent to March 1, 1960, which is to be assumed by Capistrano Beach County Water District. It is the intention of San Juan Water Company to refund all customers' deposits and advance payments prior to the close of the escrow and to liquidate all other obligations, except the one being assumed by the district, prior to dissolution.

The district agrees to undertake distribution of water to all customers in the area now served by San Juan Water Company and to assume all public utility obligations of the utility in said area. Information on file with the Commission shows that San Juan Water Company had 1,181 active service connections as of December 31, 1958.

The action taken herein shall not be construed to be a finding of the value of the properties herein authorized to be transferred.

O R D E R

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 as follows:

1. San Juan Water Company, a corporation, on and after the effective date hereof and on or before December 31, 1960, may sell and transfer the public utility properties referred to herein to Capistrano Beach County Water District substantially in accordance with the terms of the agreement attached to the application as Exhibit B. The foregoing authority is conditional upon San Juan Water Company having refunded all customers' deposits and advance payments prior to the transfer.
2. If the authority herein granted is exercised, San Juan Water 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 the conditions of this order and the commencement of operations by Capistrano Beach County Water District, San Juan 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.

4. In view of the allegations set forth in the application as to the necessity for an early transfer of the water system properties, the authority granted herein shall become effective on the date hereof.

Dated at San Francisco, California,
this 15th day of March, 1960.

Everett L. Ray
President
W. L. L. L.
E. L. L. L.
Theodore L. L.
Commissioners