

ORIGINALDecision No. 60424

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of PENINSULA SERVICE
CORPORATION, a California corporation,
to sell, transfer and dispose of
assets of Corporation to the CITY OF
MOUNTAIN VIEW, a Municipal Corporation.

Application No. 42239
(Amended)

OPINION AND ORDER

Peninsula Service Corporation, ^{1/} a corporation, by application filed May 11, 1960, seeks authorization under Sections 851 through 853 of the Public Utilities Code to sell and transfer its public utility water system to the City of Mountain View, ^{2/} which joins in the application. An amendment to the application was filed June 8, 1960.

The utility provides water service in a portion of the City of Mountain View, and vicinity, Santa Clara County. Seller's annual report to the Commission indicates that approximately 100 customers were being served as of December 31, 1958.

Commission records indicate that the subject water system was established pursuant to a certificate of public convenience and necessity granted to Seller by Decision No. 43473, dated November 1, 1949, in Application No. 30206.

The terms and conditions of the proposed transfer are set forth in an instrument entitled "Agreement for Sale of Assets of Peninsula Service Corporation", an unexecuted copy of which is attached to the application. The consideration for the proposed transfer is to be \$44,750 in cash.

^{1/} Sometimes herein called "Seller".

^{2/} Sometimes herein called "City".

A title insurance policy premium, recording costs and all other closing costs are to be borne by City, and any sales, purchase, or use tax that may be imposed as a result of the transfer is to be paid by City. Seller is to retain all accounts receivable, together with title to all records pertaining to the properties to be transferred. However, any such records that City may reasonably require for use in connection with the operation of the system shall be made available by Seller in such a manner as may best meet the respective needs of the parties.

In the amendment to the application it is stated that all customers' deposits made to Seller are to be transferred to City and that all advances for construction held by Seller as of December 31, 1959, are to be refunded from monies received at the time of closing of escrow.

Seller's annual report to the Commission for the year ended December 31, 1958, shows as of that date utility plant in the amount of \$27,456.83 and depreciation reserve in the amount of \$7,855.55, indicating net utility plant of \$19,601.28. A balance sheet of Seller as of December 31, 1959, which is attached to the application as Exhibit "B", indicates net utility plant as of that date of \$21,279.13.

The application states that City is annexing land which includes a portion of the area presently served by Seller and that it would be inimical for Seller to continue servicing the area in competition with City.

The application fails to indicate that service will be offered by City to all of Seller's service area. However, the order herein will be conditioned upon such offering of service.

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 and finding 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. Peninsula Service Corporation, a corporation, may, on or after the effective date hereof and on or before December 31, 1960, transfer its public utility properties to the City of Mountain View in accordance with the terms and conditions set forth in the instrument entitled "Agreement for Sale of Assets of Peninsula Service Corporation", an unexecuted copy of which is attached to the application. The foregoing authority is conditioned upon the following:

- (a) Should Peninsula Service Corporation transfer any customers' deposits held by it to the City of Mountain View, the latter shall receive and assume the obligations for repayment of such deposits, and jointly they shall 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 obligations exist and the respective amounts thereof.
- (b) That the City of Mountain View shall file with this Commission, within thirty days after the date of actual transfer, a certified copy of a stipulation to the effect that said City has acquired the property conveyed pursuant to the herein referred to instrument, "Agreement for Sale of Assets of Peninsula Service Corporation", subject to all legal claims for water service which might have been enforced against Peninsula Service Corporation, including such claims as may exist in territory outside of the boundaries of said City.

- (c) The foregoing requirements of (a) and (b) of paragraph 1 hereof constitute conditions of the authority herein granted.

2. On or before the date of actual transfer, Peninsula Service Corporation shall refund all advances for construction 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, Peninsula Service Corporation 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 the property hereinabove authorized.

4. If the authority herein granted is exercised, Peninsula Service Corporation 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, Peninsula Service Corporation shall stand relieved of all further public utility obligations and liabilities in connection with the operation of the public utility properties 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 26th day of July, 1960.

[Signature] President
[Signature]
[Signature]
[Signature]
[Signature] Commissioners