

Decision No. 60680

ORIGINAL

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 authoriz-)
 ing (1) the sale and transfer to)
 the City of Santa Clara of public)
 utility property of applicant in)
 the County of Santa Clara and)
 (2) the discontinuance of service)
 by applicant in certain territory)
 in the County of Santa Clara.)

Application No. 42436

OPINION AND ORDER

By this application, filed July 5, 1960, California Water Service Company,¹ a corporation, seeks authority to sell and transfer certain of its public utility properties in Santa Clara County to the City of Santa Clara,² which joins in the application. Utility also requests authority to withdraw from public utility service within the area now served by facilities and properties proposed to be transferred in this proceeding.

The terms of the proposed transfer are set forth in an instrument entitled "Agreement for Sale of Facilities to the City of Santa Clara," a copy of which is attached to the application as Exhibit B. The agreement contains a description of the properties to be transferred, including land, rights of way, buildings, structures, improvements, wells, fences, pumps, pumping plants, pumping equipment, tanks, water mains, pipes, pipelines, hydrants, valves, connections, services, meters and meter boxes but not including

1 Sometimes herein called Utility.

2 Sometimes herein called City.

materials and supplies, tools and shop equipment, accounts receivable or cash. The properties involved are located within Utility's present Suburban District service area.

Under the terms of the agreement the consideration for the proposed transfer is to be the sum of \$140,000, to which is to be added Utility's cost incurred after January 1, 1960 for all additions, betterments and extensions less retirements made after January 1, 1960, and from which total is to be deducted an amount equal to the sum of the balances of all deposits remaining subject to refund under main extension contracts relating to the facilities proposed to be transferred. City is to assume all of 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, 1959 under such contracts to be \$874.36.

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

The estimated undepreciated book cost of the properties to be transferred is alleged in the application to have been \$153,000, and the estimated accrued depreciation thereon, \$33,000 at December 31, 1959, resulting in an estimated depreciated book cost of \$120,000.

City agrees to undertake service to all customers served from the facilities proposed to be transferred, and to assume all of Utility's public service obligations within the area in which the subject facilities are located.

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, and so finds, 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 February 28, 1961, sell and transfer the herein described public utility properties to the City of Santa Clara 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 refundable balances of advances for construction held by it on the closing date to the City of Santa Clara, 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 the conditions of this order, California Water Service Company 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 1st day of SEPTEMBER, 1960.

Evelyn A. [Signature]
 President

[Signature]

[Signature]

[Signature]

Commissioners