

ORIGINALDecision No. 60808

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 GEORGETOWN DIVIDE WATER COMPANY, Ltd.,
 a Corporation, and GEORGETOWN DIVIDE
 PUBLIC UTILITY DISTRICT for an Order
 Granting Georgetown Divide Water Company
 Authority to Convey to Georgetown Divide
 Public Utility District Property Useful
 in the Performance of Duties to the
 Public.

Application No. 42426

OPINION AND ORDER

Georgetown Divide Water Company, Ltd.^{1/}, a corporation,
 by the above-entitled application filed June 30, 1960, seeks
 authorization under Sections 851 through 853 of the Public Utilities
 Code to sell and transfer its public utility water system to
 Georgetown Divide Public Utility District^{2/}, which joins in the
 application.

The subject utility system provides water service in the
 unincorporated community of Georgetown, and vicinity, El Dorado
 County. Commission records indicate that this water system was
 originally constructed between 1852 and 1870 and that no certificate
 of public convenience and necessity has been sought of, nor granted
 by, this Commission for the operation of this system.

The application states that Utility furnished public
 utility water service within the present boundaries of District
 until June 2, 1952, when an agreement was entered into providing
 for the lease of the system to District. It is alleged that

1/ Sometimes herein called "Utility".

2/ Sometimes herein called "District".

District has operated the system since that date, fully and faithfully performing all of Utility's public utility obligations. By Decision No. 54139, dated November 27, 1956, in Application No. 38152, this Commission authorized Utility to carry out the terms and conditions of the aforementioned lease agreement.

According to the application, the original cost of the public utility property proposed to be transferred is not known, so that utility plant costs shown in Utility's annual reports to the Commission do not reflect original cost. The most recent annual report of Utility received by this Commission was for the year 1957. Utility estimates that net utility plant, reflecting properly accumulated depreciation reserve, would have amounted to approximately \$200,000 as of January 13, 1956.

A list of the major items of property which it is proposed to transfer is attached to the application as Exhibit 5. It includes lands, water rights, canals, flumes, ditches, tunnels, reservoirs, dams, and pipelines.

The terms and conditions of the proposed transfer are set forth in three instruments, a copy of each of which is attached to the application as an exhibit. Their content is summarized below:

Exhibit 3, entitled "AGREEMENT", dated June 2, 1952, the parties to which are the stockholders of Utility and a committee of residents of District, provides for the sale of all outstanding capital stock of Utility to the aforesaid committee and authorizes it to effect the dissolution of Utility and the transfer of title to Utility's assets to District.

Exhibit 4, entitled "AGREEMENT FOR THE SALE OF THE PROPERTIES OF GEORGETOWN DIVIDE WATER CO., LTD.", dated June 2, 1952, the parties to which are District and the foregoing committee, which is complementary to the agreement in Exhibit 3, sets forth the rights and obligations of the committee and of the District.

Exhibit 3A, entitled "SUPPLEMENT TO AGREEMENT", dated May 13, 1960, between the same parties as the agreement in Exhibit 3, which it supplements, authorizes the committee to transfer Utility's properties to District.

The consideration for the proposed transfer from Utility to the committee is to be the sum of \$91,000, together with specified amounts of interest depending upon the date of final payment. The consideration for the transfer from the committee to District is likewise to be the sum of \$91,000, together with such further sum as necessary to reimburse the committee for the payment of all monies borrowed by it, if any, and interest thereon, plus such further sum as requisite to discharge any mortgage, deed of trust, or encumbrance on the properties of Utility.

The application states that extensive repairs to Utility's system were required to provide adequate service, and that such repairs have been accomplished by District in the amount of approximately \$56,000. It is alleged that water users of District are of the opinion that costs of service could be reduced under operation by District, and that Utility believes that its interests and the interests of its customers will best be served by the proposed transfer.

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 so 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. Georgetown Divide Water Company, Ltd., a corporation, may, on or after the effective date hereof and on or before January 31, 1961, transfer its public utility water system to Georgetown Divide Public Utility District in accordance with the terms and conditions of the following instruments: "AGREEMENT", dated June 2, 1952; "SUPPLEMENT TO AGREEMENT", dated May 13, 1960; and "AGREEMENT FOR THE SALE OF THE PROPERTIES OF GEORGETOWN DIVIDE WATER CO., LTD.", dated June 2, 1952; copies of which are attached to the application as Exhibits 3, 3A, and 4, respectively.

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

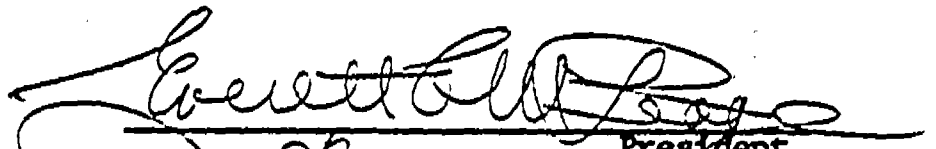
3. If the authority herein granted is exercised, Georgetown Divide Water Company, Ltd. shall, within thirty days thereafter, notify this Commission in writing of the date of the completion of the property transfer herein authorized and of its compliance with the conditions hereof.

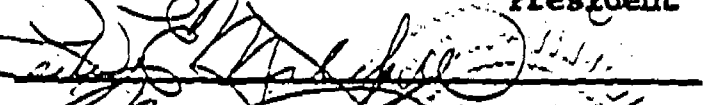
4. Upon due compliance with all of the conditions of this order, Georgetown Divide Water Company, Ltd. shall stand relieved of all further public utility obligations and liabilities in connection


with the operation of the public utility water system herein authorized to be transferred.

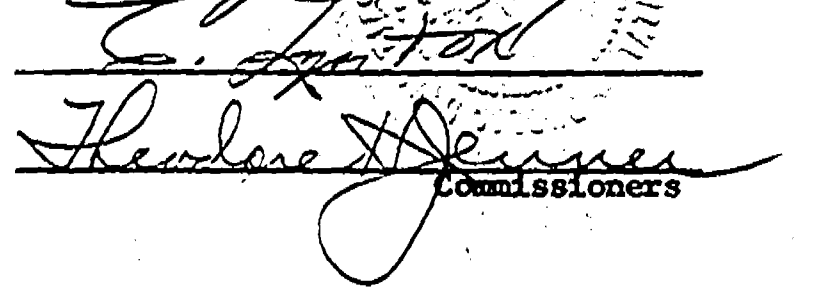
The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 4th day of OCTOBER, 1960.



President






Commissioners