

ORIGINALDecision No. 61519

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 CALIFORNIA WATER & TELEPHONE COMPANY
 for approval of a certain contract
 with the City of San Diego and for
 authorization to sell and transfer a
 portion of its system and be released
 of its public utility obligations in
 connection therewith.

Application No. 42610

O P I N I O N

California Water & Telephone Company, ^{1/} by this applica-
 tion filed August 26, 1960, requests Commission approval of its
 agreement with the City of San Diego ^{2/} and authorization to sell
 certain facilities to said City and, upon transfer of such facili-
 ties, seeks to be relieved of its public utility obligations to
 those customers served by the transferred facilities.

Joinder by City of San Diego

By joinder filed September 8, 1960, City joins Utility
 in requesting the relief sought and adopts by reference all of the
 allegations and matters referred to in Utility's application. By
 Resolution No. 163446, dated December 8, 1960, City assumes all
 of the valid obligations of Utility relating to the rights of
 persons and properties to receive water from the pipeline being
 acquired by City.

Concurrence by City of Coronado

By Resolution No. 3158, dated November 1, 1960, the
 City of Coronado agrees to the execution of the subject agreement
 between Utility and the City of San Diego.

^{1/} Hereinafter sometimes called Utility.

^{2/} Hereinafter sometimes called City.

Transfer of Service

There are ten customers presently receiving service from Utility through 15 service connections whose service will be transferred to City. These customers have been informed that the above-mentioned agreement could be inspected at Utility's Chula Vista office. Each of the ten customers was informed of the estimated net change in billing under City's rates based upon recent water usage of each and was afforded an opportunity to communicate with the Commission in the event of any objections in connection with the application. The Commission advised them it would be assumed that there was no objection to the proposed transfer in the event of failure so to do by November 1, 1960. Two customers indicated to the Commission that the proposed transfer of property might jeopardize their rights to water service. After direct negotiation between these two customers, Utility, and City, and based upon City's assumption of all of the valid obligations of Utility relating to the rights of these customers as set forth in City's Resolution No. 163446, the objections of these customers were withdrawn.

Service Area

Utility presently furnishes public utility water service for domestic, industrial, irrigation and public use in San Diego County within its Coronado and Sweetwater Districts, which form its San Diego Bay Division. In the Coronado District, Utility provides water service in the Cities of Coronado and Imperial Beach, a portion of the City of San Diego, and certain contiguous unincorporated areas. Utility alleges that its service area does not include all of the territory shown on the map attached to the agreement; however, Utility states that it will file an

appropriately-revised service area map with the Commission upon obtaining the authorization sought by the application.

Agreement between Utility and City

The agreement, dated July 20, 1960, between Utility and City, a copy of which is attached to the application as Exhibit 1, amends and supplements an agreement, dated February 6, 1912, between Coronado Water Company and Southern California Mountain Water Company, predecessors, respectively, of Utility and City, together with amendatory agreements, dated November 12, 1947 and April 14, 1955, between Utility and City. Under the terms of the subject agreement, Utility agrees, among other things, to sell to City approximately 24,900 feet of transmission main and right of way, together with other facilities, for the sum of \$236,500.

Utility and City allege that they entered into the agreement in order, among other things, to settle a threatened condemnation action by City, to define respective areas of service, and to define City's obligations in providing water to Utility's Coronado District. City agrees to undertake to furnish service, at City's regular rates, to all customers of Utility served from the portion of the transmission main to be sold to City. Utility alleges that none of its customers will be denied or restricted in obtaining water service as a result of the agreement.

Findings and Conclusions

The Commission is of the opinion, and so finds, that the terms and conditions of the subject agreement between Utility and City, including the proposed sale of utility property and transfer of Utility's customers hereinbefore described, are not adverse to the public interest and Utility will be authorized by the order herein to carry out said terms and conditions. This

authorization, however, should not be construed as a finding of the value of the property herein authorized to be transferred. A map indicating the location of that portion of Utility's system being sold to City is attached to the application as Exhibit 2. A public hearing is not necessary.

O R D E R

The Commission having considered the application herein and being of the opinion that it should be granted; now, therefore,
IT IS HEREBY ORDERED that:

1. On or after the effective date hereof, California Water & Telephone Company, a corporation, may transfer portions of its public utility water system properties to the City of San Diego, in accordance with the terms and conditions of the written agreement, a copy of which is attached to the application as Exhibit 1.

2. Within thirty days after such transfer California Water & Telephone Company shall:

- a. Notify this Commission in writing of the completion of the property transfers herein authorized.
- b. Furnish to this Commission a copy of the journal entries used to record this sale and the other transactions called for by the agreement on its books of account, which entries shall be in accordance with the Uniform System of Accounts for Class A Water Utilities prescribed by this Commission.

3. On or before the date of actual transfer, California Water & Telephone Company shall refund all customers' deposits and advances for construction which are subject to refund on the date of transfer and which relate to those of its customers whose services are being transferred to the City of San Diego.

4. Upon compliance with all of the conditions of this order, California Water & Telephone Company shall stand relieved of its public utility obligations relative to the transmission main to be transferred to the City of San Diego, concurrent with the commencement of service by said City.

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

Dated at San Francisco, California, this 14th day of February, 1961.

[Signature]
President
[Signature]
[Signature]
George H. Hoover

Commissioners

Frederick B. Holoboff
Commissioner _____ did
not participate in the disposition
of this proceeding.