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ORIGINAL

Decision No. _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of DOMINGUEZ WATER CORPORATION, for an order granting it authority to transfer a portion of its water system to the City of Torrance, pursuant to a prior agreement therefor, and to discontinue water service to persons currently receiving such service from applicant through said portion of applicant's said water system.

Application No. 43522

OPINION AND ORDER

By this application, filed June 20, 1961, Dominguez Water Corporation seeks authority to transfer a portion of its water system to the City of Torrance.

During the year 1952 a residential subdivision known as Tract No. 13023 was established within the corporate limits of the City of Torrance, and a water distribution system was installed therein at the cost and expense of the subdivider. The water system for the tract, in its entirety, was installed as an exception to the ordinances and policies of the City of Torrance and at the time of installation was a matter of controversy between the city and the subdivider concerning title to the water system.

The subdivider and the city requested applicant to furnish water service through the subdivider-installed distribution system and such was done under the terms and conditions of a contract (between the City, the subdivider and applicant) dated September 23, 1952. Among other things, the contract provided that at any time

after five years the City would have the right to acquire the water system. Under date of March 8, 1961, the City notified applicant that it desired to exercise its right to purchase the water system and to pay the sum of \$28,083.43 for the same, such sum being that set forth in the contract as the "reasonable value thereof". Along with such notice, the City agreed to pay applicant the latter's cost for approximately 150 water meters and meter boxes which applicant had installed on the system.

Applicant has been making payments to the subdivider, on the basis of one-third of the gross revenues received from water sales within the tract and in accordance with the terms of the contract, to a total of \$14,004.97 as of May 31, 1961. The net sum to be paid to applicant by the City is \$16,971.97 which represents the stated value of \$28,083.43 plus the cost of meters and meter boxes less the payments made by applicant to the subdivider.

The Commission finds that the proposed transfer is not adverse to the public interest and should be authorized. The action taken herein, however, shall not be construed to be a finding as to the value of the properties authorized to be transferred.

Public hearing in this matter is not necessary.

Accordingly,

IT IS ORDERED that:

1. On or after the effective date hereof, Dominguez Water Corporation may transfer and sell to the City of Torrance its interest in the water distribution system within Tract No. 13028 together with water meters and meter boxes installed thereon in accordance with the contract dated September 23, 1952 and the letter agreement dated March 8, 1961, between the respective parties

thereto, copies of which agreement and letter are identified as Exhibit "A" and Exhibit "B", respectively, attached to the application.

2. Within thirty days after such transfer, Dominguez Water Corporation shall:

- a. Notify this Commission in writing of the date on which the City of Torrance shall have taken over said system.
- b. Furnish to this Commission a copy of the journal entries used to record this sale and transfer on its books of account, which entries shall be in accordance with the Uniform System of Accounts for Water Utilities prescribed by this Commission.
- c. File in quadruplicate with the Commission, in conformity with General Order No. 96, a revised map of the area served subsequent to the transfer herein authorized. Said tariff service area map shall become effective after five days' notice to the Commission and to the public after filing as hereinabove provided.

3. On or before the date of actual transfer, Dominguez Water Corporation shall refund all customers' deposits 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 Torrance.

4. Upon compliance with all of the conditions of this order, Dominguez Water Corporation shall stand relieved of its public utility obligations within Tract No. 13028, concurrent with the commencement of service by the City of Torrance.

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

Dated at San Francisco, California, this 25th day of July, 1961.

[Signature]

 President

[Signature]

 Commissioners