

**ORIGINAL**

Decision No. 62348

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
OAK GROVE WATER COMPANY, a corpo- )  
ration, doing business under same, )  
to sell to Contra Costa County )  
Water District. )

Application No. 43936  
(Filed November 20, 1961)

OPINION AND ORDER

By this application, Oak Grove Water Company, a corporation, (Company) requests authorization to sell and convey its public utility water system to Contra Costa County Water District (District), which joins in the application.

Pursuant to a certificate of public convenience and necessity granted to Company by the Commission in Decision No. 50949 dated January 4, 1955, in Application No. 35837, Company presently furnishes public utility water service to approximately 180 water users in an area known as Oak Grove Manor, and vicinity, located about three miles easterly of Walnut Creek in Contra Costa County.

As shown on the copy of Company's balance sheet attached to the application, the original cost of the utility properties to be transferred was \$138,396.48 as of December 31, 1960, with a related depreciation reserve of \$13,303.97, resulting in a net utility plant balance of \$125,092.51 as of that date.

The application states that the reasons for entering into the proposed transaction are that James A. Ganley, owner of all of Company's capital stock, desires to retire from the utility business and that District desires to acquire Company's system to operate it as part of District's larger system. The application further

states that District's boundaries now surround the area being served by Company.

The terms and conditions of the proposed sale are set forth in an "Agreement of Sale" entered into between Company and District on November 15, 1961, an executed copy of which is attached to the application as Exhibit A. The purchase price specified in said agreement is \$195,000 to be paid in cash on the closing date of December 29, 1961, as stated therein, which closing date is subject to certain extensions not later than February 27, 1962. Upon transfer of the properties, District agrees to assume and perform the obligations of Company under those main extension agreements to which Company is a party as of the closing date. Exhibit B attached to the agreement shows the balance subject to refund on such extension deposit contracts to be \$19,110.23, as of November 15, 1961, with James A. Ganley named as the assignee. Company warrants that it does not now hold any customers' deposits or advance payments to establish credit or secure the payment of charges for water service. The agreement provides that, from and after the closing date, District will undertake the distribution of water to all customers then served by Company and will assume all public service obligations of Company, subject to the right of District to fix rates and determine conditions of service.

Attached to the application is a copy of a resolution passed by District's Board of Directors at a meeting on November 15, 1961, approving the purchase of Company's facilities in accordance with the terms and conditions of the agreement presented at said meeting. Also attached to the application is a copy of a resolution

passed by Company's Board of Directors, approving the sale of its facilities to District and authorizing Company's president and secretary to execute the said agreement.

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 hereby finding, that the proposed transfer would not be adverse to the public interest, that a public hearing is not necessary, and that the application should be granted,

IT IS HEREBY ORDERED that:

1. On or after the effective date hereof and on or before February 27, 1962, Oak Grove Water Company, a corporation, may sell and transfer its public utility properties to the Contra Costa County Water District in accordance with the terms and conditions set forth in the instrument entitled "Agreement of Sale", an executed copy of which, dated November 15, 1961, is attached to the application herein. The foregoing authority is conditioned upon the requirements that:

- (a) The Contra Costa County Water District shall file with this Commission, within thirty days after the date of actual transfer, a verified copy of a statement to the effect that said District has acquired the property conveyed pursuant to the aforementioned agreement, subject to all legal claims for water service which might have been enforced against the Oak Grove Water Company, including such claims as may exist in territory outside the boundaries of said District.
- (b) The Contra Costa County Water District shall assume all obligations for refund of construction advances made to Oak Grove Water Company

under the provisions of main extension agreements outstanding as of the date of actual transfer and said District and said Company shall jointly file with this Commission, within thirty days after that date, a verified statement showing the name and address of each person or corporation in whose favor any of such refund obligations exist and the unrefunded amount of construction advance subject to repayment to each such person or corporation.

(c) On or before the date of actual transfer, Oak Grove Water Company shall refund all customers' deposits which are subject to refund, if any.

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

3. Upon compliance with the conditions of this order, Oak Grove Water 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 sold.

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

Dated at San Francisco, California, this 19th day of DECEMBER 1961.

[Signature]  
President

[Signature]

[Signature]

Fredrick B. Halaloff

Commissioners