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ORIGINAL

Decision No. _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 PACIFIC GAS AND ELECTRIC COMPANY, a
 California corporation, and CALIFORNIA
 WATER SERVICE COMPANY, a California
 corporation, for an order authorizing
 (1) the sale and transfer to California
 Water Service Company of the Salinas,
 King City, Selma and Hamilton City
 Water Systems of Pacific Gas and
 Electric Company, (2) the discontin-
 uance of water service by Pacific Gas
 and Electric Company in the areas now
 served by its Salinas, King City,
 Selma and Hamilton City Water Systems
 and (3) the commencement of water
 service in said areas by California
 Water Service Company.

Application No. 44079
 (Filed January 5, 1962)

OPINION AND ORDER

By this application Pacific Gas and Electric Company seeks authority to sell and California Water Service Company seeks authority to buy public utility water systems located at Salinas, King City, Selma and Hamilton City. The two utilities have reached agreement, subject to the approval of this Commission, for the transfer of all of the properties and assets of the four systems (except buildings, office equipment, accounts receivable, unbilled revenues, cash and refundable deposits made by customers) at a total price of \$4,250,000 plus the costs of additions and less the costs of retirements from December 31, 1960 to the date of closing. The undepreciated book costs of the systems, as of November 30, 1961, are reported to be: Salinas, \$3,948,833; King City, \$397,522; Selma, \$732,814; and Hamilton City, \$51,650.

The agreement between the parties, signed January 2, 1962, is attached to the application herein and contemplates a closing

date of March 1, 1962. Among other things, the agreement provides that California Water Service Company will assume the seller's obligations under refund agreements for main extensions, which refunds are reported to have aggregated approximately \$218,318 as of December 31, 1960.

California Water Service Company will provide service in each of the four areas at the identical rates and under rules identical to those under which Pacific Gas and Electric Company now serves the areas.

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 of the values of the properties to be transferred. Public hearing in this matter is not necessary. Accordingly,

IT IS ORDERED that:

1. On or after the effective date hereof, and on or before December 31, 1962, Pacific Gas and Electric Company may transfer and sell to California Water Service Company its public utility water systems at Salinas, King City, Selma and Hamilton City in accordance with the terms and conditions of that certain agreement between the two parties dated January 2, 1962, a copy of which is attached to the application herein as Exhibit C.
2. On or before the date of transfer Pacific Gas and Electric Company shall refund all customers' deposits for the establishment of credit which are subject to refund.
3. Within ten days of the date of transfer, Pacific Gas and Electric Company and California Water Service Company shall jointly inform the Commission in writing of the actual date of transfer and

of the date upon which the latter shall have assumed operation of the water system herein authorized to be transferred.

4. If the authority hereinabove authorized is exercised, the tariffs of Pacific Gas and Electric Company shall be continued in effect as the tariffs of California Water Service Company without modification thereof, excepting only such modification as to the form thereof as may be necessary to integrate said tariffs with those applicable to California Water Service Company's existing tariffs for its other water systems. Under such condition, California Water Service Company shall file said tariffs in quadruplicate with this Commission and in conformity with the provisions of General Order No. 96 within twenty days after the effective date of this order, or in lieu thereof California Water Service Company may file a notice of

On or before the date of actual transfer of the physical herein authorized, Pacific Gas and Electric Company shall deliver to California Water Service Company, and the latter shall receive and preserve, all records, memoranda and papers to Pacific Gas and Electric Company pertaining to the operation of the properties herein authorized

with the provisions of paragraphs 1, 2 and 3 Electric Company shall stand ratifications, as the same may pertain

CORRECTION

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**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

of the date upon which the latter shall have assumed operation of the water system herein authorized to be transferred.

4. If the authority hereinabove authorized is exercised, the tariffs of Pacific Gas and Electric Company applicable to each of the aforementioned water systems shall be continued in effect as the tariffs of California Water Service Company without modification thereof, excepting only such modification as to the form thereof as may be necessary to integrate said tariffs with those applicable to California Water Service Company's existing tariffs for its other water systems. Under such condition, California Water Service Company shall file said tariffs in quadruplicate with this Commission and in conformity with the provisions of General Order No. 96 within twenty days after the effective date of this order, or in lieu thereof California Water Service Company may file a notice of adoption of said presently filed tariffs.

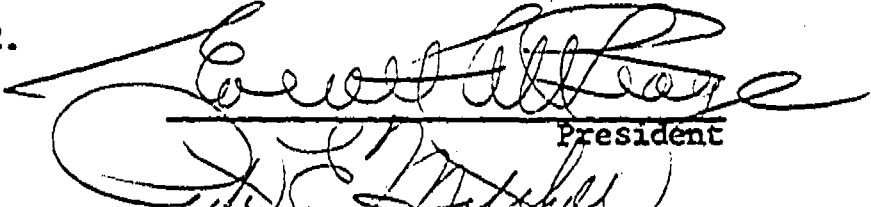
5. On or before the date of actual transfer of the physical properties herein authorized, Pacific Gas and Electric Company shall transfer and deliver to California Water Service Company, and the latter shall receive and preserve, all records, memoranda and papers in the possession of Pacific Gas and Electric Company pertaining to the construction and operation of the properties herein authorized to be transferred.


6. Upon compliance with the provisions of paragraphs 1, 2 and 5 of this order, Pacific Gas and Electric Company shall stand relieved of its water utility obligations, as the same may pertain

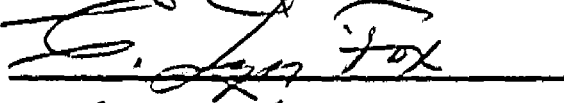
to each of the aforementioned four water systems, concurrent with the commencement of service by California Water Service Company.

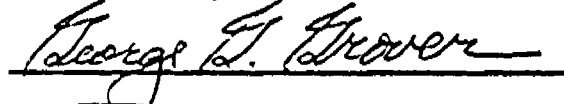
The effective date of this order shall be ten days after the date hereof.

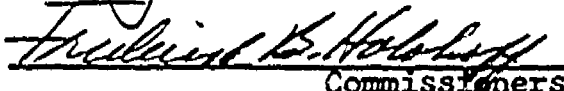
Dated at San Francisco, California, this 6th
day of FEBRUARY, 1962.



President








Commissioners