

63479

**ORIGINAL**

Decision No. \_\_\_\_\_

## BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 the IDEAL PETROLEUM COMPANY, a Cali- )  
 fornia corporation, for an order )  
 authorizing the sale and transfer )  
 of the Ideal Petroleum Company water )  
 system to the CITY OF LAKEWOOD of )  
 the County of Los Angeles. )

Application No. 44242  
 (Filed March 1, 1962)

OPINION AND ORDER

By this application, Ideal Petroleum Company, a California corporation, seeks authority to transfer all of its Lakewood and Bellflower water systems to the City of Lakewood.

On February 23, 1962, Company and City entered into an agreement. A copy of this agreement, attached to the application, shows that Company agrees to sell and City to buy, Company's properties in Los Angeles County. City agrees to assume Company's public utility obligations in this area. As a condition precedent prior authorization by this Commission is required.

City agrees to pay a basic purchase price of \$420,000 with adjustments to reflect improvements subsequent to January 23, 1962, and other necessary adjustments. The rights of subdividers under main extension agreements are to continue to be an obligation of Company and there will be a deferred payment of a substantial portion of this figure related to the main extension agreements.

The Commission finds and concludes 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 value of the properties authorized to be transferred.

Inasmuch as City will not assume refund obligations under Company's main extension agreements, the order herein will require Company to provide a suitable guaranty that refunds will be paid when due.

Company and City desire to consummate their agreement at the earliest opportunity. Therefore, the Commission finds and concludes that the order herein should be made effective on its date. A public hearing is not necessary. Accordingly,

IT IS ORDERED that:

1. On or after the effective date hereof and on or before December 31, 1962, Ideal Petroleum Company may transfer and sell to the City of Lakewood its Lakewood and Bellflower water systems in accordance with the terms and conditions of the agreement dated January 23, 1962, executed by said City on February 15, 1962, and by Ideal Petroleum Company on February 23, 1962, attached to the application herein as Exhibit C thereof. The foregoing authority is conditioned upon the requirement that the City of Lakewood shall file with this Commission, within thirty days after the date of actual transfer, a certified copy of a stipulation to the effect that:

- (a) The City of Lakewood has acquired the property conveyed pursuant to the hereinabove referred to instruments, subject to all legal claims for water service which might have been enforced against Ideal Petroleum Company, including such claims as may exist in territory outside of the city limits of Lakewood.

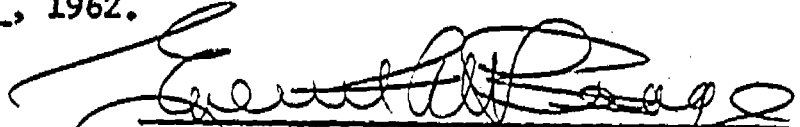
- (b) As to the service, rules and rates it will apply in the service area of the system herein authorized to be transferred, the City of Lakewood will not discriminate between service rendered outside the city limits of Lakewood and service rendered within said city limits, except insofar as it may adjust such outside rates and charges to offset any reasonable tax burden sustained by water users within the City in subsidizing the operation of the municipal water system.
2. On or before the actual date of transfer, Ideal Petroleum Company shall refund all customers' deposits for the establishment of credit which are subject to refund.
  3. Within sixty days after the date of actual transfer, Ideal Petroleum Company shall file with this Commission:
    - (a) A statement showing all main extension agreements, including the amount of each, which have been terminated by mutual consent of the parties.
    - (b) Evidence that it has provided, in a manner acceptable to this Commission, an adequate guaranty to assure payment of refunds due or to become due, on all remaining main extension agreements.
  4. If the authority herein granted is exercised, Ideal Petroleum Company shall, within thirty days thereafter, file with this Commission a certified copy of each deed or other instrument of conveyance as executed to effect the transfer of the property hereinabove authorized.
  5. Within ten days after the actual date of transfer, Ideal Petroleum Company shall notify this Commission in writing of the date of transfer and the date upon which the City of Lakewood shall have assumed operation of the water system herein authorized to be transferred.

6. Upon compliance with all of the above conditions of this order, Ideal Petroleum Company shall stand relieved of its public utility obligations in the area served by the transferred property and may discontinue service concurrently with the commencement of service by the City of Lakewood.

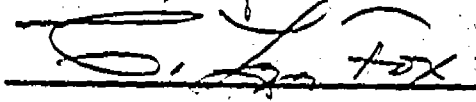
7. The acceptance of the herein concerned properties by the City of Lakewood shall constitute consent by it to all conditions of the order herein which have application to said City.

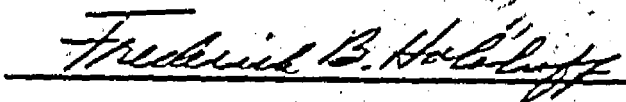
The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 27th day of MARCH, 1962.

  
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President

  
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Commissioners