

**ORIGINAL**Decision No. 64176

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of PEARLAND WATER  
COMPANY for approval of sale and  
transfer of utility property.

Application No. 44590  
(Filed June 25, 1962)

O P I N I O N

By this application, Pearland Water Company, a California corporation, requests authority, pursuant to Section 851 of the Public Utilities Code, to sell its entire public utility water system, which serves a portion of the public in the City of Palmdale, to Palmdale Irrigation District. The District has joined in the application and declares it is legally entitled to serve said area and it is ready, willing, and able to provide service.

Applicant has been conducting its public utility business under authority granted by Decision No. 56157, dated January 28, 1958, in Application No. 39161.

The real property, personal property, franchise, permits, and operative rights to be sold and transferred are described in the Grant Deed, dated June 6, 1962, and in the Bill of Sale, dated June 6, 1962, attached to the application as Exhibits "A" and "B", respectively. All of these properties are declared to be free and clear of any mortgage, lien, or encumbrances. The agreed purchase price is stated to be \$56,450 cash. It is alleged that applicant does not hold any consumer advances and that all deposits made by customers have been refunded.

It is asserted that applicant is selling the utility property for the reason that applicant has been, from its inception, steadily and consistently operating at a loss; that it is economically unsound for applicant to continue its operation and to maintain reasonable and adequate service to the public; that Palmdale Irrigation District serves and supplies water to the entire City of Palmdale and in the vicinity thereof, except in the area now served by applicant; and that the District is better equipped and fit to continue to serve water in the area now served by applicant.

We find, upon consideration of the application, that the proposed sale and transfer are not adverse to the public interest; that they should be authorized in accordance with the order which follows; and that a public hearing is not necessary.

O R D E R

Application having been filed, and the Commission having determined that the application should be granted,

IT IS ORDERED that:

1. Pearland Water Company, after the effective date of this order and on or before March 1, 1963, may sell and transfer to Palmdale Irrigation District its entire public utility water system as described in the Grant Deed, dated June 6, 1962, attached as Exhibit "A" to the application.

2. If the authority herein granted is exercised, Pearland Water Company shall, within thirty days thereafter, notify this Commission in writing of the date of such completion of the property transfer herein authorized.

3. If the authority granted herein is exercised, Pearland Water Company shall stand relieved of all further public utility obligations and liabilities in connection with the operation of the public utility water system properties herein authorized to be transferred.

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

Dated at <sup>San Francisco</sup> \_\_\_\_\_, California, this 28th day of AUGUST, 1962.

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 President  
*C. J. Fox*  
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*Walter M. DeLoe*  
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*Fredrick B. Hiloboff*  
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 Commissioners

Commissioner Peter E. Mitchell, being necessarily absent, did not participate in the disposition of this proceeding.