

ORIGINALDecision No. 64282

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 NORTE LOS ALTOS WATER COMPANY for
 authorization to sell a portion of
 its public utility system and to be
 relieved of its public utility
 obligations within the territory
 served by such portion.

Application No. 44559
 (Filed June 19, 1962)

O P I N I O N

In this application North Los Altos Water Company (herein called Applicant) seeks authority to sell a portion of its public utility water system to the City of Mountain View, a municipal corporation, and thereafter to be relieved of its public utility obligation to serve water within the territory served by such portion of said system.

Applicant is a public utility engaged in the business of rendering water service in portions of Santa Clara County, California. Applicant's properties devoted to such service are comprised of lands, wells, pumps, buildings, pipelines and other pertinent property and equipment necessary for the rendition of said service. Applicant presently serves water in the area indicated on the drawing entitled "North Los Altos Water Co. Water Distribution System" attached to the application as Exhibit B.

The City of Mountain View, a municipal corporation, has indicated to applicant that it intends to serve water within the area enclosed by a broken line on the map entitled Exhibit A, attached to that certain document entitled "Option to Purchase a

Portion of a Water Distribution System", which document and attachment are made part of the application as Exhibit C. Said municipality has indicated its intention to acquire facilities to serve such area, and applicant believes that it is in the best interest of applicant and its shareholders, as well as the persons presently being served within said portion of said water system, that applicant sell the same to the City of Mountain View.

Applicant has executed, subject to the approval of the Commission, the option attached as Exhibit C, calling for the sale of the above-described portion of its water distribution system, including piping, valves, fire hydrants, sixty-five water service lines, sixty-four meters and sixty-four meter boxes for the sum of \$26,000.

Applicant does not have the specific information necessary to estimate the segregated original cost of that portion of its system herein proposed to be sold. Applicant proposes in the event of such sale to consider the cost of the sold portion of the system to be that proportion of the total cost of its entire system which the amount of facilities in the portion being sold bears to the total amount of facilities in the entire system. ✓

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 value of the properties to be transferred.

Public hearing is not necessary.

O R D E R

IT IS ORDERED that:

1. On or after the effective date hereof and on or before December 31, 1962, North Los Altos Water Company may transfer and sell to the City of Mountain View a portion of its public utility water system in accordance with the terms and conditions of the "Option to Purchase a Portion of a Water Distribution System" attached to the application as Exhibit C thereof.

2. The foregoing authority is conditioned upon:

- (a) The requirement that the City of Mountain View shall assume all obligations for refund of construction advances made to North Los Altos Water Company in the area to be transferred under the provisions of main extension agreements outstanding as of the date of actual transfer and said City and the utility 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.
- (b) Stipulation by the City of Mountain View that, as to the service, rules and rates it will apply in the service area of the portion of the system herein authorized to be transferred, it will not discriminate between service rendered outside the city limits of Mountain View 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.

3. The hereinabove acquisition agreement shall not be modified or amended, except as to the date or dates of closing, unless authority to modify or amend said agreement shall have been obtained from this Commission.

4. On or before the actual date of transfer, North Los Altos Water Company shall refund all customers' deposits for the establishment of credit, which are subject to refund, and within ten days thereafter shall report to this Commission in writing of the completion of such refunding.

5. Applicant is authorized and directed to file, after the effective date of this order and within thirty days after the date of completion of the property transfer authorized herein, such revised tariff sheets including tariff service area maps, acceptable to this Commission and in accordance with the requirements of General Order No. 96-A, as are necessary to discontinue the application of its present tariff schedules to the area served by the transferred properties. Such revised tariff sheets shall become effective upon five days' notice to this Commission and to the public after filing as herein provided.

6. Within ten days after the actual date of transfer, North Los Altos Water Company shall notify this Commission of the date of transfer and the date upon which the City of Mountain View assumed operation of the water system herein authorized to be transferred.

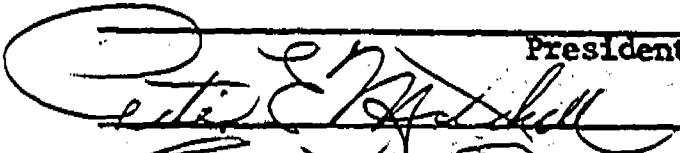
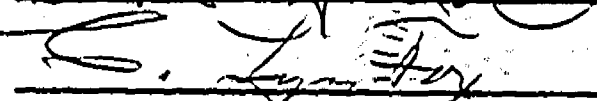
7. Upon compliance with all the above conditions of this order, North Los Altos Water Company shall stand relieved of all further public utility obligations in connection with the operation of the public utility water system properties herein authorized to be transferred.


8. The acceptance of the herein concerned properties by the City of Mountain View shall constitute consent by it to

all conditions of the order herein which apply to said City.

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

Dated at Los Angeles, California, this 20th day of SEPTEMBER, 1962.


 _____ President




 _____ Commissioners

Commissioner Everett C. McKeage, being necessarily absent, did not participate in the disposition of this proceeding.