

**ORIGINAL**Decision No. 65401

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
 PARKWAY WATER COMPANY for authoriza-  
 tion 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. 45360  
 (Filed April 18, 1963)

OPINION AND ORDER

On November 30, 1962, applicant Parkway Water Company entered into an agreement to sell to the City of Sacramento those portions of its public utility water properties known as the "Glen Elder System". By this application, filed April 18, 1963, applicant seeks authority to consummate said agreement and be relieved of its public utility obligations insofar as said system is involved. The City of Sacramento has joined in the application.

The Glen Elder water system, wholly located in the City of Sacramento, serves about 400 flat rate and 7 metered customers from facilities which are not interconnected with any other areas served by Parkway. The purchase price is \$162,000 in cash. The agreement specifies transfer of the system to the city, as of the close of business on June 1, 1963, free and clear of any liens or encumbrances.

Parkway reports that it holds no customer deposits applicable to the system to be sold. The Commission takes notice of the fact that the tariffs and billing procedures of Parkway provide for two months' advance flat rate billings and that the

next regular billing period commences on June 1, 1963. In view of such situation and so that the necessity for proration of billings or other unnecessary complications may be avoided, applicant urges expedition of this matter so that the transfer may in fact be made on June 1, 1963.

Parkway holds only one outstanding line extension refund agreement applicable to the Glen Elder system.<sup>1/</sup> Such agreement will remain Parkway's obligation and Parkway has committed itself<sup>2/</sup> to make future refunds thereon, from time to time and in accordance with the terms of such agreement, as customers of the city are added to the main involved.

The Commission finds: (1) that the proposed transfer is not adverse to the public interest and should be authorized, (2) that public hearing in the matter is not necessary, and (3) that the effective date of the order herein should be the date hereof. The action taken herein shall not be taken as a finding of the value of the properties authorized to be transferred. Accordingly,

IT IS ORDERED that:

1. Parkway Water Company may sell and transfer to the City of Sacramento those portions of its public utility water properties known as the Glen Elder System in accordance with the terms and conditions set forth in that certain agreement between them entered into on November 30, 1962, as the same appears in Exhibit E attached to the application herein.

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<sup>1/</sup> A copy of the refund agreement is attached to the application as Exhibit F.

<sup>2/</sup> By letter dated April 29, 1963, hereby received as Exhibit E in this proceeding.

2. Within thirty days following transfer of the properties, Parkway Water Company shall file with the Commission, two certified copies of all documents or instruments of transfer as actually executed.

3. Within thirty days after the date of actual transfer, Parkway Water Company shall file, in conformity with General Order No. 96-A, such revised tariff sheets, including a tariff service area map, as are necessary to discontinue the application of its present tariff schedules to the area served by the transferred system.

4. Upon transfer of the properties, Parkway Water Company shall stand relieved of its utility obligations respecting said Glen Elder System; except, that it shall continue to carry out the terms and conditions of its line extension agreement with the Sacramento City Unified School District in accordance with its letter commitment pertaining thereto as above mentioned.

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

Dated at San Francisco, California, this 14<sup>th</sup> day of May, 1963.

[Signature] President

Fredrick B. Holzoff

[Signature]

Commissioners

President Grover present but not voting.