

ORIGINALDecision No. 65496

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of NEWMAN WATER WORKS,)
 INC., a corporation, for an order)
 authorizing it to sell substan-)
 tially all of its property, such)
 property being necessary to the)
 performance of the applicant's)
 duties to the public.)

Application No. 45321
 Filed April 8, 1963

OPINION AND ORDER

Newman Water Works, Inc., presently rendering service in the City of Newman, requests authority to sell substantially all of its property to the City of Newman.

The agreed consideration is \$84,079.31 payable in annual installments of \$8,000 following a down payment of \$4,079.31. All deferred payments will bear interest at the rate of 6 percent per annum.

The only long-term obligations of applicant as of December 31, 1962, were \$19,736.75 of refundable construction advances and the unpaid balance of \$8,710.05 on a promissory note for \$12,000, dated June 29, 1959.

After consideration the Commission finds that the proposed sale, subject to the conditions in the order herein, would not be adverse to the public interest. A public hearing is not necessary. Now, therefore,

IT IS ORDERED that:

1. After the effective date hereof and on or before March 1, 1964, Newman Water Works, Inc., may sell and transfer to the City of Newman the property described in Exhibit A attached to the application according to the terms set forth therein.

2. The authority in ordering paragraph 1 hereof is conditioned upon the requirement that the City of Newman shall file with this Commission, before the date of actual transfer, a certified copy of a stipulation to the effect that:

- a. The City of Newman will acquire the property to be conveyed pursuant to the hereinabove referred to instruments, subject to all legal claims for water service which might have been enforced against Newman Water Works, Inc., including such claims as may exist in territory outside of the city limits of Newman.
- 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 Newman will not discriminate between service rendered outside the city limits of Newman 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.
- c. The City of Newman will assume all then outstanding obligations for refund of construction advances made to Newman Water Works, Inc., under provisions of main extension agreements.

3. On or before the actual date of transfer, Newman Water Works, Inc., shall refund all customers' deposits for the establishment of credit which are subject to refund.

4. If the authority herein granted is exercised, Newman Water Works, Inc., 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, Newman Water Works, Inc., shall notify this Commission in writing of the date of transfer and the date upon which the City of Newman 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, Newman Water Works, Inc., 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 Newman.

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

Dated at San Francisco, California, this 28th day of May, 1963.

John L. Grover President
Frederick B. Hallock
William W. Bennett

 Commissioners

President Grover present but not voting.

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