

ORIGINALDecision No. 65668

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 SAN JOSE WATER WORKS, a corporation,)
 for an order authorizing (1) the sale)
 and transfer to the City of Santa)
 Clara of public utility property of)
 Applicant in the City of Santa Clara)
 and (2) the discontinuance of service)
 by Applicant in certain territory in)
 the City of Santa Clara.)

Application No. 45425
 (Filed May 13, 1963)
 (Amended June 12, 1963)

O P I N I O N

San Jose Water Works (Utility) and the City of Santa Clara (City) request authorization for Utility to sell to City certain water distribution facilities in the City of Santa Clara and for Utility to discontinue public utility service in the area in the City of Santa Clara presently served by the facilities to be conveyed to City upon the consummation of said sale and transfer to City of said facilities. A copy of the form of Deed and Bill of Sale which Utility proposes to execute and deliver to City is attached to the application as Exhibit B.

Said deed and bill of sale provides that for \$1,400 Utility will sell 775 feet of pipe, 20 services, and 20 meters and meter installations located on Woodland Avenue west of Winchester in the City of Santa Clara.

The undepreciated book cost of the facilities to be sold is \$2,509 and the depreciated book cost is \$1,841. There are no line extension deposits, contributions in aid of construction or meter deposits involved in this sale.

Applicants allege that City desires to extend its service in the above-described area as soon as possible, that for some time City has been urging Utility to sell said facilities, and that City will probably install lines paralleling said facilities if Utility does not sell.

The rates in effect in the City of Santa Clara which will be payable by the customers now served by the facilities to be transferred are substantially lower than the rates now being charged said customers monthly.

The action taken herein shall not be construed to be a finding of the value of the rights and properties herein authorized to be transferred.

The Commission finds that the proposed sale described in this application will not be adverse to the public interest and concludes that the application should be granted. A public hearing is not necessary.

O R D E R

IT IS ORDERED that:

1. San Jose Water Works is authorized to sell and convey to the City of Santa Clara the water distribution facilities described in the form of agreement attached to the application as Exhibit B, and to consummate said transaction in accordance with the terms of said form of agreement.

2. San Jose Water Works, concurrently with the consummation of sale and transfer to the City of Santa Clara of the property described above, shall cease furnishing and supplying water service to customers presently being served by it by means of said property

and is relieved of the duties and responsibilities of a water corporation within the area involved.

3. San Jose Water Works shall within thirty days after such sale and transfer notify this Commission in writing of the date thereof.

4. The authority granted herein shall expire in the event that the City of Santa Clara does not consummate the purchase of the property under said form of agreement within two years after the effective date of this order.

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

Dated at San Francisco, California, this 9th day of JULY, 1963.

William B. Bennett
 President

George C. Brown
 Commissioner

Frederick B. Halbach
 Commissioners