

Decision No. 65929

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Investigation on the Commission's
own motion into the matter of a
proposed sale and transfer by
DYKE WATER COMPANY, a corporation,
of a portion of its property to
the City of Anaheim.)
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Case No. 7586

SUPPLEMENTAL ORDER

In Decision No. 65860, issued August 6, 1963, the Commission approved the sale or transfer of certain properties by Dyke Water Company to the City of Anaheim. The order of approval provided that the decision would become effective after compliance by Dyke Water Company with specified conditions and upon the issuance of a supplemental order fixing the effective date.

On August 22, 1963, Dyke Water Company filed with the Commission amended escrow instructions (dated August 21, 1963) in substantial compliance with the conditions specified by the Commission. The amended escrow instructions are based upon the instructions suggested by the Commission in its decision of August 6, and the only substantial departure therein is the substitution of Farmers and Merchants Bank of Long Beach in place of Title Insurance and Trust Company as the depository of the Interim Rate Trust and the Advances Trust. The amended escrow instructions state that the substitution is desired because the bank has been requested to accept partial rather than full repayment of the indebtedness due it and it is desired to give the bank an additional inducement to agree to the reduced payment. Although the bank is a creditor of the water company, the Interim Rate Trust and the Advances Trust will consist of independent trust monies which are not to be disbursed except with the written consent of the Commission. Farmers and Merchants Bank of Long Beach has delivered to the Commission its written agreement to accept the deposit of funds pursuant to the terms and conditions of the amended escrow instructions. In the circumstances, it

appears that the bank may properly act as trustee of these funds.

An inadvertent error in describing the Advances Trust appears to have been made in the amended escrow instructions in that the second paragraph of Condition 4 of the instructions indicates that Title Insurance and Trust Company is to disburse the funds in said trust rather than Farmers and Merchants Bank of Long Beach. In the 7th line of said paragraph, the words "you are" should be changed to "said bank is".

GOOD CAUSE APPEARING, it is ordered:

1. The amended escrow instructions filed herein on August 22, 1963 are hereby approved on the condition that the words "you are" in the 7th line of the second paragraph of Condition 4 thereof are changed to "said bank is".

2. The restraining order issued in connection with the order instituting investigation herein and the restraining order contained in Decision No. 65266 herein are hereby dissolved effective upon the closing of said escrow in accordance with the instructions approved by the Commission.

3. The effective date of Decision No. 65860 shall be the date on which said escrow is closed in accordance with the escrow instructions approved by the Commission. Title Insurance and Trust Company shall forthwith notify the Secretary of the Commission of said closing date.

4. The Secretary is directed to deliver to Title Insurance and Trust Company a certified copy of this order and a certified copy of the amended escrow instructions dated August 21, 1963 and filed herein August 22, 1963.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 27th day of August, 1963.

President

Ernest B. Page

George T. Hoover

Fredrick B. Halachoff

Commissioners

Commissioner William M. Bennett, being necessarily absent, did not participate in the disposition of this proceeding.

-2- Commissioner Peter E. Mitchell did not participate in the disposition of this proceeding.