

ORIGINAL

Decision No. 66849

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of NORTH LOS ALTOS WATER CO. 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. 46099
Filed January 15, 1964

OPINION AND ORDER

By this application, North Los Altos Water Co. (Seller), a corporation, seeks authority to transfer a portion of its utility properties to the City of Palo Alto (Purchaser), and to discontinue service within that part of its present area which is served by the transferred portion of its system. Purchaser joins in the application.

Seller provides water service in portions of the cities of Palo Alto and Los Altos and adjacent unincorporated portions of Santa Clara County, as shown on the map, Exhibit B attached to the application.

Purchaser has advised Seller that it intends to acquire, by purchase or condemnation, a small portion of Seller's distribution system, shown in red on Exhibit B, consisting of 5,420 feet of mains, 104 services and seven fire hydrants, and having a depreciated book value of \$17,244. Seller and Purchaser have entered into an agreement, a copy of which is attached to the application, for the transfer of the facilities at a purchase price of \$32,012.

To avoid isolation of Seller's Wilkie Well from the rest of its system upon transfer of the facilities as proposed herein,

the purchase agreement provides that \$5,000 of the purchase price will be paid by Purchaser's installing, connecting and delivering to Seller a 4-inch transmission main from the well to the remaining utility system. The transferred facilities will then be integrated with the present distribution system of Purchaser.

Upon transfer of the facilities, the customers served thereby, all of whom are now within the city limits of Purchaser, will become customers of the municipal system. Seller holds no customers' deposits nor unrefunded advances for construction relating to the customers or system to be transferred.

The Commission finds that the proposed transfer is not adverse to the public interest and concludes that it should be authorized and that a public hearing is not necessary. The action taken herein, however, is not a finding of the value of the properties to be transferred.

IT IS ORDERED that:

1. Within one year after the effective date hereof, North Los Altos Water Co. (Seller) may transfer to the City of Palo Alto (Purchaser) the portion of the public utility water system described herein, substantially in accordance with the terms of the agreement, Exhibit D attached to this application.

2. Within ten days after the date of actual transfer, Seller shall file in this proceeding written notification of the date of actual transfer and the date upon which Purchaser shall have assumed operation of the water system facilities authorized herein to be transferred. A true copy of the instrument or instruments of transfer shall be attached to the written notification.

3. Within thirty days after the date of actual transfer, Seller shall file revised tariff sheets, including tariff service

maps clearly indicating the boundaries of the service area, to discontinue the application of its present tariff schedules to the area served by the transferred properties. Such filing shall comply with General Order No. 96-A, and the revised sheets shall become effective on the fourth day after the date of filing.

4. Upon compliance with all of the conditions of this order, Seller shall stand relieved of its public utility obligations within the area served by the transferred property and may discontinue service therein concurrently with the commencement of service by Purchaser.

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

Dated at San Francisco, California, this 25th day of February, 1964.

Hollman Bennett
President
City of San Francisco
Wendell A. [unclear]
Fredrick B. Holboff

Commissioners

Commissioner George G. Grover
present but not voting.