

ied

ORIGINAL

Decision No. 67910

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of SAN JOSE WATER WORKS, a corpo-)
ration, 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. 46884
(Filed August 10, 1964)

OPINION AND ORDER

San Jose Water Works (seller), a corporation, seeks authority to transfer a portion of its utility properties to the City of Santa Clara (buyer), and to discontinue service within that part of its present area which is served by the portion of its system to be transferred. Buyer joins in the application.

Seller provides water service to portions of Santa Clara County, in and about San Jose, Los Gatos, Monte Sereno, Saratoga, Campbell, Cupertino and Santa Clara. A portion of seller's system on Saratoga Avenue, between Stevens Creek Boulevard and Pruneridge Avenue, serves some 24 customers, all of whom are located within the corporate limits of buyer. Buyer owns and operates a municipal water system which serves the major portion of the city. Buyer wishes to extend its water system and, for that purpose, desires to acquire seller's facilities serving the aforementioned 24 customers on Saratoga Avenue.

Seller and buyer have negotiated an agreement, the terms of which are set forth in a proposed Deed and Bill of Sale, a copy of which is attached to the application as Exhibit B, providing

for the sale of the aforementioned small portion of seller's system. The agreed purchase price is \$2,550, payable in cash. The application states that the undepreciated book cost of the properties to be sold was \$6,722 at the time of filing the application, that the corresponding depreciation reserve was \$1,774, and that there are no unrefunded advances for construction nor customer deposits with respect to the facilities to be transferred.

The Commission finds that the proposed transfer is not adverse to the public interest and concludes that it should be authorized.

The action taken herein is not to be construed as a finding as to the value of the properties to be transferred.

IT IS ORDERED that:

1. Within one year after the effective date hereof, San Jose Water Works (seller) may transfer to the City of Santa Clara (buyer) the portion of the public utility water system described herein, substantially in accordance with the terms of the Deed and Bill of Sale, Exhibit B attached to the application.
2. Within ten days after the date of actual transfer, seller shall file in this proceeding written notification of the date of transfer and the date upon which purchaser shall have assumed operation of the water system herein authorized to be transferred.
3. Within thirty days after the date of actual transfer, seller shall file revised tariff sheets, including tariff service area 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. Seller shall account for the transfer herein authorized in accordance with Utility Plant Accounts Instruction 12.F., Utility Plant Sold, of the Uniform System of Accounts for Water Utilities (Class A, Class B, and Class C) prescribed by this Commission and, within sixty days after the date of actual transfer, shall file in this proceeding a copy of the journal entry or entries used to record the transfer.

5. Upon compliance with all of the conditions of this order seller shall stand relieved of all of its public utility obligations, except refund of advances for construction, in the area served by the transferred system, and may discontinue service concurrently with the commencement of service by purchaser.

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

Dated at San Francisco, California, this 28th day of SEPTEMBER, 1964.

Frederick B. Hololuff
President

Carl E. [unclear]
Everett [unclear]

George H. Hoover

William W. Bennett
Commissioners