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ORIGINAL

Decision No. 69034

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of PARK WATER COMPANY, for an
order authorizing it to sell,
transfer and convey a portion of
its water system to WEST SAN
BERNARDINO COUNTY WATER DISTRICT,
a public agency of the State of
California, pursuant to Section
851 of the Public Utilities Code.

Application No. 47317
(Filed February 8, 1965)

Chris S. Rellas, for Park Water Company, and
Redwine and Sherrill, by Justin M. McCarthy,
for West San Bernardino County Water District,
applicants.

O P I N I O N

Park Water Company (seller), a corporation, seeks authority to transfer part of its water system properties to West San Bernardino County Water District (buyer) and to discontinue service to the portion of its certificated areas supplied by the facilities to be transferred.

A public hearing was held before Examiner Catey in Los Angeles on April 5, 1965. Notice of hearing had been published in accordance with this Commission's instructions and rules of procedure. Testimony was presented by seller's vice president and by buyer's general manager. There were no protests. The matter was submitted on April 13, 1965, the date of receipt herein of seller's late-filed Exhibit No. 1.

Seller is engaged in the operation of public utility water systems in the southeastern section of Los Angeles County and in the Chino and Bloomington areas of San Bernardino County. Buyer is a political subdivision of the State of California,

organized and existing pursuant to Division 12 of the Water Code. Seller's Bloomington system is outside of, but adjacent to, buyer's present district boundaries, but buyer's general manager testified that buyer intends to annex the Bloomington area. He also testified that it was the general practice of buyer to charge the same water rates to customers within its district boundaries as it charges outside of those boundaries.

On or about October 27, 1964, buyer filed an action in eminent domain against seller in the San Bernardino County Superior Court, for the purpose of condemning seller's Bloomington system. Buyer's engineer prepared an inventory of the utility plant involved and an estimate of its value to buyer. After minor modifications, based upon negotiations between buyer and seller, both parties agreed to stipulate to judgment in the condemnation proceeding which would provide for the payment of \$150,000 by buyer to seller, of which \$15,000 would be in cash and the balance would be represented by six percent promissory notes.

The pleading herein, the testimony of seller's vice president, and late-filed Exhibit No. 1 show that the Bloomington system included, as of December 31, 1964, plant with an original cost of \$92,148, a depreciation reserve of \$23,213, no unrefunded advances for construction, and \$18,222 contributions in aid of construction. Late-filed Exhibit No. 1 shows that revenues and expenses (excluding depreciation and income taxes) for the year 1964 were \$14,753 and \$7,004, respectively. Exhibit "B" to the pleading shows that the total depreciated original cost of all of seller's systems, as of November 30, 1964, was \$6,786,033.

Seller and buyer state, in their pleading, that it is in the best interest of seller, buyer, the water users in the area and the customers of seller that the proposed sale and transfer

of the Bloomington system be consummated. The parties point out that (1) buyer has many sources of supply, including many wells, whereas seller has only a single well in the area, and (2) seller's main office is 45 miles from the Bloomington area, which makes the furnishing by seller of the most efficient and economical service practically impossible.

The Commission finds that the proposed transfer will not be adverse to the public interest, under the conditions prescribed in the order to follow, and concludes that it should be authorized. The action taken herein does not constitute a finding as to the value of the transferred properties.

O R D E R

IT IS ORDERED that:

1. Within one year after the effective date of this order, Park Water Company (seller) may transfer to West San Bernardino County Water District (buyer) the water system serving the Bloomington area in San Bernardino County, essentially in accordance with the terms and conditions described herein, and subject to the conditions hereinafter imposed.
2. The foregoing authority is conditioned upon the filing in this proceeding of a stipulation by buyer that, as to the rates, rules and conditions of service which buyer will apply in the service area of the facilities herein authorized to be transferred it will not unreasonably discriminate between service rendered in that area and service rendered in the rest of its service area.
3. On or before the date of actual transfer, seller shall refund all customers' deposits and all advances for construction, if any, which are related to its Bloomington system.

4. Within ten days after the date of actual transfer, seller shall file in this proceeding written notification of the date of compliance with the requirements of ordering paragraph 3, the date of actual transfer, and the date upon which buyer shall have assumed operation of the water system authorized herein to be transferred. A true copy of the instrument or instruments of transfer shall be attached to the written notification.

5. Prior to the date of actual transfer, seller shall file revised tariff sheets, including tariff service area maps, 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. The effective date of the revised tariff sheets shall be the date of actual transfer.

6. Within sixty days after the date of actual transfer, 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 shall file in this proceeding a copy of the journal entry or entries used to record the transfer.

7. Upon compliance with all of the conditions of this order, seller shall stand relieved of all of its public utility obligations in the area served by the transferred system, and may discontinue service therein concurrently with the commencement of service by buyer.

The effective date of this order shall be established by supplemental order, after buyer shall have complied fully with the requirements of ordering paragraph 2.

Dated at San Francisco, California, this 17th day of MAY, 1965.

[Signature] President
George T. Grover
Avogadro
William W. Blinn Commissioners

Commissioner Frederick B. Holboff, being necessarily absent, did not participate in the disposition of this proceeding.