

**ORIGINAL**

Decision No. 69584

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
CITIZENS SUBURBAN COMPANY 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. 47752  
(Filed July 16, 1965)

O P I N I O N

Citizens Suburban Company (hereinafter referred to as Citizens) seeks, in this application, authority to sell a portion of its public utility water system to the City of Sacramento (hereinafter referred to as Sacramento). The verified application avers that Sacramento's city charter requires it to provide municipal water service to all its inhabitants; that the portions of Citizens' water system here involved are within the city limits of Sacramento; that these portions of Citizens' system are known as the Panorama Village and Glenbrook Village areas; that Sacramento advised Citizens that, in the light of the aforesaid charter provision, Sacramento intends to acquire, by purchase or condemnation, the water system in Panorama Village and Glenbrook Village; and that Sacramento and Citizens have entered into an agreement, subject to approval by this Commission, for Citizens to sell its water system in the Panorama Village and Glenbrook Village areas to Sacramento.

The agreement contains the provision that Citizens will sell the Panorama Village and Glenbrook Village portions of its water system to Sacramento for \$162,074, an amount slightly in excess of the net book value of the properties involved. The agreement also provides

for payment at actual cost for any additional facilities constructed by Citizens prior to transfer. The application avers that Citizens does not hold any unrefunded deposits from customers in the areas here involved. The application also indicates that there are eight line extension refund agreements, relating to the Panorama Village and Glenbrook Village portions of Citizens' system, which have not yet been entirely retired through refund payments. These obligations are not to be transferred to or assumed by Sacramento. Citizens will retain the obligations.

The Commission has received no protests against granting the application. If the application is granted the average customer would pay less for water service. The Commission takes official notice that Citizens' tariff provides for a residential service charge of \$3.75 per month for the first 1,000 cubic feet of water and a minimum charge of \$3.75 per month for a 5/8 x 3/4-inch meter. Sacramento has a flat rate domestic schedule which ranges from a charge of \$1.75 per month for a 1-3 room dwelling to \$3.75 per month for a 10-15 room dwelling. Sacramento also has a domestic meter schedule which provides for a charge of \$2.00 per month for the first 1,200 cubic feet of water and a minimum charge of \$2.00 per month for a 5/8 x 3/4-inch meter.

As indicated, Citizens will retain the obligation to make refunds under the line extension agreements heretofore mentioned. However, there is nothing in the agreement between Sacramento and Citizens providing for the transmittal of information from Sacramento to Citizens to permit Citizens to carry out its refund obligations. The Commission will require Sacramento to file a stipulation indicating that it will regularly provide such information to Citizens, as a condition for authorizing the transfer. No other points require discussion.

The Commission makes the following findings and conclusions:

Findings of Fact

1. A public hearing is not necessary in this matter.
2. If Sacramento files with the Commission a stipulation that it will regularly transmit to Citizens the information necessary to enable Citizens to perform its line extension refund obligations in the areas here under consideration, the requested transfer of Citizens' Panorama Village and Glenbrook Village water systems to Sacramento under the terms and conditions of the sale agreement would not be adverse to the public interest.

Conclusion of Law

The application should be granted as hereinafter provided.

O R D E R

IT IS ORDERED that:

1. Within one year after the effective date of this order Citizens Suburban Company may sell and transfer the Panorama Village and Glenbrook Village portions of its public utility water system to the City of Sacramento in accordance with the terms and conditions of the "Agreement For Sale of Public Utility Assets" executed by the parties on July 1, 1965, which is attached to the application as Exhibit D. This authority shall not be effective until the City of Sacramento files with the Commission a stipulation that it will regularly transmit to Citizens Suburban Company the information necessary to permit Citizens Suburban Company to discharge its refund payment obligations under line extension agreements relating to the portions of the water system herein authorized to be transferred.
2. Within ten days of the actual transfer, Citizens Suburban Company shall notify the Commission, in writing, of the date upon which the transfer was consummated.

3. Upon completion of the sale and transfer herein authorized and all of the terms and conditions of this order, Citizens Suburban Company shall stand relieved of its public utility obligations and liabilities in connection with the utility system herein authorized to be transferred.

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

Dated at San Francisco, California, this 27<sup>th</sup>  
day of AUGUST, 1965.

Fredrick B. Holloff  
President  
W. E. Stahl  
George L. Grover  
Augusta  
William A. Bennett  
Commissioners