

ORIGINALDecision No. 70972

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application of the Southern California Water Company for an order (i) authorizing sale and conveyance of certain water system properties to the City of Anaheim and (ii) releasing certain restrictions established by Decision No. 53856 of this Commission.

Application No. 48328
(Filed March 18, 1966)

O'Melveny & Myers, by Donn B. Miller
and William J. Bogaard, for applicant.
Alan R. Watts, for City of Anaheim; and
Conrad Hohener, Jr., for Stanton County
Water District, interested parties.
Raymond E. Heytens, for the Commission
staff.

O P I N I O N

Southern California Water Company (Southern California or applicant) seeks authority under Section 851 of the Public Utilities Code to sell those properties (except a well) lying within the boundaries of the City of Anaheim (Anaheim) which were acquired from Ideal Petroleum Company (Ideal) pursuant to Decision No. 54800, dated April 9, 1957. Exhibit C attached to the application is a copy of the proposed contract of sale. Book cost is \$13,115.81, with accumulated depreciation of \$3,888.79, and the sales price is \$21,750, subject to certain adjustments which are set forth in the contract. The map, Exhibit A, shows in blue the location of the properties proposed to be sold.

The 99 customers who would be affected by the proposed sale are metered and are furnished water service according to

applicant's schedule adopted from Ideal, which provides for a charge of \$2.55 for water usage of 1,500 cu. ft. per month and \$3.30 for usage of 2,000 cu. ft. per month. Anaheim's charge for 1,500 cu. ft. usage would be \$3.04, and for 2,000 cu. ft., \$3.74.

By this same application, Southern California seeks the lifting of restrictions against extending its water service outside the boundaries of the certificated areas established by Decision No. 53856 without further order of the Commission. The lifting of said restrictions is required in order to permit applicant to serve customers who are now being served by Anaheim within the City of Stanton, which were formerly served by Dyke Water Company, but whose facilities therein were acquired by Anaheim and are now proposed to be acquired by the applicant. The properties within the City of Stanton serve 565 customers, of whom 98 are metered and the balance are served on Anaheim's flat rate of \$6.50 per month. If this application were granted, the flat rate customers would be metered, and according to applicant's CS-1 schedule for general metered service, the charge for 1,500 cu. ft. of water usage would be \$3.80 per month and for 2,000 cu. ft., \$4.93 per month. Thus, it appears, the average customer's monthly bill will be reduced by the proposed transfer.

Public hearing was held before Examiner Warner on May 20, 1966, at Anaheim. There were no protests to the granting of either part of the application. Stanton County Water District (District) asked that Southern California be required to agree to an emergency connection such as District has contracted for with Anaheim. Said connection is made to the properties proposed to be

acquired by Southern California. Counsel for the latter stated that, while the acquisition of the properties as such was not the subject of the second part of the application, Southern California would be willing to discuss the subject of a contract for an emergency connection to District, said connection to be made either at its present location, or some other.

Exhibit No. 1 is a report on results of an investigation of the application submitted by a Commission staff accountant in which it is concluded that the staff has no objection to the proposed purchase or sale of assets as set forth in the application.

The record shows that the properties proposed to be acquired from the City of Anaheim are contiguous to applicant's certificated area boundaries established by Decision No. 53856, and the record shows that as to all of the boundaries established by said Decision, there are no other surviving public utility water companies, and that, except for the restriction imposed by said Decision, applicant could extend its system in the normal course of business, contiguously, pursuant to Section 1001 of the Public Utilities Code.

We find that the granting of the application would not be adverse to the public interest, and conclude that it should be granted.

O R D E R

IT IS ORDERED that:

1. a. Southern California Water Company is authorized to sell the water system (except a well) acquired from Ideal Petroleum

Company with a book cost of \$13,115.81, and accumulated depreciation of \$3,888.79 thereon, for \$21,750 to the City of Anaheim, pursuant to the terms of the contract, Exhibit C attached to the application.

b. When such sale has been consummated, applicant shall, within five days, notify the Commission in writing thereof and shall thereupon stand and be relieved of all public utility obligation to serve the area which is outlined in blue on the map attached to the application as Exhibit A.

2. The restrictions against extension of service outside the boundaries of the certificated area established by Decision No. 53856, dated October 1, 1956, in Application No. 37172, are lifted and are no longer in effect.

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

Dated at San Francisco, California, this 19th day of JULY, 1966.

 President
George J. Grover

Friedrich B. Holoboff

Margaret

William B. Bennett
 Commissioners

Commissioner Peter E. Mitchell, being necessarily absent, did not participate in the disposition of this proceeding.