

**ORIGINAL**Decision No. 71030

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
 SAN JOSE WATER WORKS, a corporation,  
 for an order authorizing (1) the  
 sale and transfer to the City of  
 Santa Clara of public utility prop-  
 erty of applicant in the City of  
 Santa Clara and (2) the discontin-  
 uance of service by applicant in  
 certain territory in the City of  
 Santa Clara.

Application No. 48540  
 Filed June 6, 1966

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. The Commission has received no protests to the proposed transfer.

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 in the City of Santa Clara is in an area on the east side of Harold Avenue, north of Stevens Creek Boulevard. That portion of the system has only four services, all of which 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 this portion of seller's system.

Seller and buyer negotiated an agreement providing for the sale of the aforementioned small portion of seller's system.

Applicant has prepared a proposed deed and bill of sale, a copy of which is attached to the application as Exhibit B. The agreed purchase price is \$250, payable in cash, plus reimbursement of applicant's legal expenses in obtaining release of the property from the lien of its bond indenture. The application states that the undepreciated book cost of the properties to be sold is \$128, that the corresponding depreciated book cost is \$56, that there are no contributions in aid of construction nor unrefunded advances for construction with respect to the facilities to be transferred, and that there are no outstanding customer deposits in the portion of the 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. A public hearing is not necessary.

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, 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 sheets shall be four days 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 in the area served by the transferred portion of its system, and may discontinue service 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 26<sup>th</sup> day of JULY, 1966.

[Signature]  
President

[Signature]

[Signature]

[Signature]

[Signature]  
Commissioners