

**ORIGINAL**Decision No. 71162

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of CENTRAL UTILITIES, INC., )  
 formerly known as Aldercroft Heights )  
 Company, a corporation, for an Order )  
 of Authorization to Dispose of a Part )  
 of its Plant and System Used in the )  
 Performance of its Duties as a Public )  
 Utility Pursuant to Section 851, et )  
 seq. of the Public Utilities Code of )  
 the State of California. )

Application No. 48484  
 (Filed May 19, 1966)

O P I N I O N

Central Utilities, Inc. (seller) seeks authority to transfer its Aldercroft Heights water system to Aldercroft Heights County Water District (buyer), and to discontinue service. Buyer has not joined in the application but we take official notice of the various decisions in Application No. 43869 (wherein buyer petitioned this Commission to fix the just compensation to be paid for the system) which clearly show that buyer wishes to obtain title to the system.

Seller and Buyer

Decision No. 70736, dated May 24, 1966, in Application No. 47894 and Case No. 8331 shows that seller's water system provides water service to some 118 customers in an area known as Aldercroft Heights, located about seven miles south of Los Gatos, in Santa Clara County.

Buyer is a county water district. Decision No. 70736 indicates that all but a very few of seller's customers are inside of buyer's district boundaries. The authorization to transfer will

be conditioned upon buyer's filing a stipulation to insure continuation of service without discrimination to any customers who are outside the district boundaries.

Condemnation

On February 17, 1966, a judgment in an eminent domain proceeding in the Superior Court of the State of California, in and for the County of Santa Clara, No. 173788, was filed and entered, adjudging the Aldercroft Heights properties of seller to be condemned to buyer upon payment into Court of the sum of \$25,045 for the benefit of seller. That sum had been fixed by this Commission in Decision No. 69301, dated June 22, 1965, in Application No. 43869. On April 1, 1966, buyer paid the \$25,045. On April 4, 1966, the money was released to seller, whereupon possession and use of the properties was transferred to buyer. Buyer's acquisition of the properties thus is contingent only upon this Commission's authorization of the transfer of title, which authorization is granted by the order which follows.

Buyer, by letter filed with this Commission dated May 24, 1966, has requested a study be made of the extent to which the just compensation heretofore fixed should be increased or decreased by reason of subsequent expenditures, depreciation or other acts occurring from October 25, 1961 to March 31, 1966, inclusive. Sections 1417 to 1419 of the Public Utilities Code provide procedures for supplemental adjustments in just compensation proceedings. Further findings by this Commission may therefore eventuate in connection with this petition to modify the Commission's Decision No. 69301 in the just compensation proceeding. This possibility need not, however, delay this order.

Finding and Conclusion

The Commission finds that the proposed transfer is not adverse to the public interest and concludes that it should be authorized, subject to the conditions of the order which follows.

The authorization herein granted does not constitute a finding as to the value of the properties herein authorized to be transferred.

O R D E R

IT IS ORDERED that:

1. Within one year after the effective date of this order, Central Utilities, Inc. (seller) may transfer to Aldercroft Heights County Water District (buyer) title to the public utility water system serving Aldercroft Heights and vicinity, pursuant to the Superior Court judgment Exhibit "B", attached to the application.

2. The foregoing authority is conditioned upon the filing in this proceeding of a stipulation by buyer that:

- (a) Buyer will be subject to all legal claims for water service which might have been enforced against seller, including such claims as may exist in territory outside of buyer's boundaries.
- (b) As to the rates, rules and conditions of service which buyer will apply in the service area of the system herein authorized to be transferred, it will not discriminate between service rendered outside its district boundaries and service rendered inside said boundaries, except insofar as it may adjust such outside rates and charges to offset any reasonable tax burden sustained by water users within the district in subsidizing the operation of the district's water system.

3. On or before the date of transfer of title, seller shall return to customers any refundable deposits made to establish credit.

4. Within ten days after the date of transfer of title, seller shall file in this proceeding written notification of the refunding of all deposits. A true copy of the instrument or instruments of transfer of title shall be attached to the written notification.

5. Upon compliance with the conditions of this order, seller shall stand relieved of all of its public utility obligations in the area served by the transferred system.

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

Dated at San Francisco, California, this 23<sup>rd</sup> day of AUGUST, 1966.

[Signature]  
President

[Signature]

[Signature]

[Signature]

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Commissioners

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