

ORIGINAL

Decision No. 72847

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
CLYDE COMPANY, a Corporation,
for an order authorizing (1) the sale
and transfer to Contra Costa County
Water District of the water system of
Applicant in Contra Costa County known
as its Clyde Water Company, and (2) the
discontinuance of service by Applicant
in the territory in Contra Costa County
now served by its Clyde Water Company.

Application No. 49471
(Filed June 16, 1967)

O P I N I O N

Clyde Company (seller) requests authorization to transfer its water system to Contra Costa County Water District (buyer).

Seller on December 31, 1966, had 139 active service connections by which it served water to residential customers at meter rates and to 3 industrial customers at flat rates in the unincorporated community in Contra Costa County known as Clyde.

Buyer is a public body engaged in supplying water for domestic, municipal and industrial uses in the central part of Contra Costa County, including the cities of Concord and Clayton, part of the City of Pleasant Hill, and certain unincorporated areas including Port Chicago adjacent to the community of Clyde.

On May 3, 1967 seller and buyer entered into an agreement, a copy of which is attached to the application as Exhibit A, providing for the sale of the water system and other assets of seller used in public utility service in its service area. The agreed purchase price is \$3,521.00.

Seller's annual report to this Commission for the year 1966, hereby incorporated as a part of this record by reference,

shows as of the end of 1966 utility plant in service in the amount of \$58,004.03, a reserve for depreciation of utility plant of \$46,134.42. Customer deposits amounting to \$260.12, no advances for construction and no contributions in aid of construction.

The application states that seller's source of water (wells), storage and distribution facilities will be inadequate to supply anticipated increases in demand for water in seller's service area. Certain of seller's facilities have deteriorated and will have to be replaced. Buyer has a water supply from the Sacramento River and the Contra Costa Canal system of the United States Bureau of Reclamation and is able and willing to provide an adequate and dependable water supply to the area sufficient to meet anticipated future increased demands.

We find that:

1. Buyer has the ability to acquire and operate seller's water system without interruption in service.
2. Upon the consummation of the proposed transfer seller will no longer be performing public utility service.
3. Subject to the conditions set forth in the order which follows, the proposed sale and transfer will not be adverse to the public interest.

We conclude that the application should be granted as provided by the following order and that a public hearing is not necessary.

O R D E R

IT IS ORDERED that:

1. Within one year after the effective date of this order, Clyde Company, a corporation, may sell and transfer to the Contra Costa County Water District the properties referred to herein, substantially in accordance with the terms described in the agreement attached to the application herein and designated as Exhibit A, but subject to the conditions of this order.

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 territories outside of purchasers 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 burdens sustained by water users within the district in subsidizing the operation of districts water system.

3. On or before the date of actual transfer, seller shall refund all customer deposits for the establishment of credit and all advances for construction, if any.

4. Within ten days after the date of actual transfer, seller shall file in this proceeding written notification of the refunding of all deposits and advances, if any, the date of transfer and the date upon which buyer shall have assumed the 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. Upon compliance with the conditions of this order, seller shall stand relieved of all its public utility obligations in the area served by the transferred system and may discontinue service concurrently with the commencement of service by buyer.

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

Dated at San Francisco, California, this 15th day of AUGUST, 1967.

[Signature]
President

[Signature]

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Commissioners