

ORIGINAL

Decision No. 73149

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of CALIFORNIA WATER SERVICE COMPANY, a corporation, and the CITY OF SALINAS, a municipal corporation, for an order authorizing the sale and transfer to the City of Salinas of certain fire hydrants in the Salinas District of California Water Service Company.

Application No. 49618  
(Filed August 18, 1967)

OPINION AND ORDER

California Water Service Company (seller) seeks authority to transfer a portion of its utility properties to the City of Salinas.

Seller provides water service in many localities in California, including the City of Salinas, Monterey County. Buyer provides fire protection within its corporate limits. Buyer now owns 660 of the fire hydrants on seller's system in Salinas, and seller owns 243. The responsibility for hydrant maintenance is thus divided, based upon ownership. Seller's tariffs also provide for a higher monthly rate for utility-owned hydrants than for city-owned.

Seller and buyer negotiated an agreement providing for the sale of the 243 utility-owned hydrants for \$50,000, payable in two annual installments. Seller alleges that the undepreciated book cost of these hydrants is approximately \$64,000 and that the agreed sale price represents an amount equal to the fair market value of the hydrants. The depreciated book cost is not shown.

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 does not constitute a finding as to the value of the properties to be transferred.

IT IS ORDERED that:

1. Within one year after the effective date of this order, California Water Service Company (seller) may transfer to the City of Salinas (buyer) the portion of the public utility water system described herein.

2. Within ten days after the date of actual transfer, seller shall file in this proceeding written notification of the date of transfer.

3. 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.

The effective date of this order is the date hereof.

Dated at Los Angeles, California, this 3rd day of OCTOBER, 1967.

[Signature]  
President

[Signature]  
William M. Bennett  
John P. Morrissett  
Commissioners

Commissioner William M. Bennett, being necessarily absent, did not participate in the disposition of this proceeding.