

ORIGINALDecision No. 73212

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of CRYSTAL WATER CO., a corporation, and CALIFORNIA WATER SERVICE COMPANY, a corporation, for an order authorizing (1) the sale and transfer to California Water Service Company of the water system and certificate of public convenience and necessity of Crystal Water Co., (2) the discontinuance of service by Crystal Water Co. in the territory now served by Crystal Water Co., and (3) the commencement of service in said territory by California Water Service Company.

Application No. 49656
(Filed September 1, 1967)

O P I N I O N

Crystal Water Co. (Seller) seeks authorization to sell its operative right and property to California Water Service Company (Buyer) which joins in the application. Seller's service area is contiguous to Buyer's Salinas District. Seller presently serves about 330 customers. It has two wells and approximately 19,000 feet of 6 to 10-inch diameter asbestos cement pipe in its distribution system. There are 30 fire hydrants attached to the system.

The agreed sale price is \$227,500. This is alleged to be the fair market value of Seller's assets which will be transferred to Buyer. Seller is to retain liability for and refund to Seller's customers all refundable deposits made by customers to guarantee payment of bills. In the agreement, Exhibit 4 to the application, Seller "represents and warrants" to Buyer that it is not obligated under any main extension agreements.

Buyer proposes to serve the Crystal area at Seller's rates and Buyer's rules.

The Commission finds that:

1. The proposed sale and transfer will not be adverse to the public interest.

2. The California Water Service Company, a corporation, has the financial resources to acquire and operate the water system called the Crystal Water Co.

3. A public hearing is not necessary.

The Commission concludes that the application should be granted as provided by the following order.

The authorization herein granted shall not be construed as a finding of the value of the rights and 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, Crystal Water Co., a corporation (Seller), may sell and transfer to California Water Service Company, a corporation (Buyer), and the latter may acquire, the water system referred to herein, substantially in accordance with the terms described in the agreement attached to the application herein as Exhibit 4.

2. On or before the date of actual transfer, Seller shall refund all customers' deposits and all amounts under advances for construction agreements representing refunds due and payable as of the date of transfer.

3. After the effective date of this order, and not more than thirty days after the date of actual transfer, Buyer shall file additional and revised tariff sheets, including tariff service area

maps, clearly and accurately indicating the boundaries of the tariff area established by the transfer, to provide for the application of Seller's present rates and Buyer's present rules to the service area acquired by the transfer. Such filing shall comply with General Order No. 96-A.

4. Within five days after the date of actual transfer, Seller and Buyer jointly shall file in this proceeding a written statement showing:

- a. The date of transfer. A true copy of the instrument or instruments of transfer shall be attached to the statement.
- b. The dates of compliance with the foregoing ordering paragraph 2.

5. California Water Service Company shall account for the acquisition of the properties herein authorized to be conveyed in accordance with the requirements of Plant Instruction No. 4 of the Uniform System of Accounts for Water Utilities (Class A, Class B and Class C), and within sixty days after the consummation of the conveyance, it shall file with the Commission a copy of each journal entry used to record the acquisition on its books of account.

6. Upon compliance with all of the conditions of this order, Seller shall stand relieved of its public utility obligations in the area served by the transferred system and may discontinue service concurrently with the commencement of service by Buyer.

7. On or before the end of the third month after the date of actual transfer Buyer shall cause to be filed with the Commission, in such form as it may prescribe, an annual report covering the operations of the Seller for the period commencing with the first day of the current year to and including the effective date of transfer.

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

Dated at San Francisco, California, this 17th day of OCTOBER, 1967.

[Signature]
President

[Signature]

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Commissioners