

ORIGINAL

Decision No. 73299

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)

CAMINO WATER COMPANY

for orders relieving Applicant of the obligation to provide certain public utility water service, cancelling certain tariff sheets and for other relief.

Supplemental
Application No. 49101

(Filed July 31, 1967)

SUPPLEMENTAL OPINION AND ORDER

By Decision No. 72296, dated April 12, 1967, in Application No. 49101, Camino Water Company (Camino), was granted conditional authority to transfer its public utility water system to the City of Camarillo substantially in accordance with the Agreement Implementing Stipulation for Interlocutory Judgment of Condemnation. By this supplemental application, Camino seeks authority to effect said transfer under alternate arrangements, which are designed to remove an uncertainty concerning the non-taxability of certain interest income.

Under the alternate arrangements, Camino proposes to sell its system to the City of Camarillo under threat of condemnation in accordance with the provisions of a revised Waterworks Acquisition Agreement, Exhibit A attached to the supplemental application. Applicant states that under this revised agreement all the safeguards in the aforementioned Agreement Implementing Stipulation for Interlocutory Judgment

of Condemnation relating to the orderly transfer of its waterworks system to municipal operation, the refunding of customers' deposits, and nondiscriminatory service to customers within and outside the territorial boundaries of the City of Camarillo remain unchanged. We observe, however, that City and Camino, its successors or assigns, may waive or modify by mutual consent any provisions of the revised agreement. As a further safeguard, our order herein will require retention of the nondiscriminatory service commitment.

The revised acquisition agreement also provides in part as follows: "At the date of closing, the following amount shall be set aside out of the purchase price and paid for and on behalf of seller: . . . (c) The amount necessary to fund the escrow authorized by ordering paragraph 2a of Decision No. 72296 of the California Public Utilities Commission, or the amount necessary to fund a similar escrow authorized by a decision of said Commission amending or superseding Decision No. 72296."

Attached as Exhibit B to this supplemental application is a copy of applicant's escrow instructions to the Bank of America regarding payment of outstanding main extension contracts in accordance with the provisions of ordering paragraph 2a of Decision No. 72296. Such instructions include provision for the investment of the funds deposited in escrow and certain of the investment alternatives do not appear appropriate; our order herein will specify the investments which may be made.

The Commission finds that the proposed transfer will not be adverse to the public interest if consummated pursuant to the order in Decision No. 72296 as supplemented by the order herein.

The Commission concludes that the order in Decision No. 72296 should be supplemented to the extent hereinafter set forth and that a public hearing is not necessary.

IT IS HEREBY ORDERED that in addition and as an alternative to the authority to transfer previously granted, within one year after the effective date of the order in Decision No. 72296, Camino Water Company may transfer its public utility water system to the City of Camarillo substantially in accordance with the provisions of the revised Waterworks Acquisition Agreement, Exhibit A attached to the supplemental application herein, provided that:

- (1) Said revised agreement is suitably modified to preclude any changes in its provisions which would alter the City of Camarillo's commitment to render nondiscriminatory service to customers within and outside the City's territorial boundaries.
- (2) There is full compliance with ordering paragraph 2a of Decision No. 72296.

IT IS FURTHER ORDERED that the moneys to be deposited in the escrow authorized by ordering paragraph 2a of Decision No. 72296 may be invested in, and only in, authorized obligations for which the full faith and credit of the United States is pledged, and bank time deposits to the extent that such deposits

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are insured against loss for any reason under any present or future laws of the United States.

This order is supplemental to the order in Decision No. 72296, which remains in full force and effect, and its effective date shall be the date hereof.

Dated at San Francisco, California, this 7th day of NOVEMBER, 1967.

John E. Mitchell
President
William Van Buren
Augustor
William Johnson
Joseph P. Moussey
Commissioners