

ORIGINALDecision No. 73518

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 PALM CITY WATER COMPANY, a corporation,
 for authority to sell its assets to the
 COACHELLA VALLEY COUNTY WATER DISTRICT,
 and for authority to cease operations
 and to be relieved of its public
 utility obligations.

Application No. 49845
 Filed December 1, 1967

O P I N I O N

Palm City Water Company (seller) requests authorization from the Commission to transfer its public utility water system to Coachella Valley County Water District (buyer) and authority to cease operations.

Palm City Water Company is a California corporation operating a public utility water system in and about Palm City approximately 6 miles northwest of Indio, Riverside County. Seller's service area is entirely within the boundaries of Coachella Valley County Water District. Seller on December 31, 1966 had 203 active service connections.

On November 7, 1967, seller and buyer entered into an agreement, attached to the application as Exhibit A, providing for the sale of substantially all of the water system. The agreed purchase price is \$466,920 to be paid in 25 equal annual installments.

Exhibit C, attached to the application, shows as of August 31, 1967 that seller had utility plant of \$442,958.14; a reserve for depreciation of utility plant of \$73,601.49; advances for construction of \$117,321.17; no contributions or customers' deposits.

Upon completion of the sale and transfer, seller proposes to terminate all outstanding main extension contracts, all of which are owned by Palm Desert Country Club, Inc. which is the sole owner of the capital stock of seller.

The Commission has considered this matter and finds that the transfer of the public utility water system as proposed herein will not be adverse to the public interest. On the basis of this finding we conclude that the application should be granted. A public hearing is not necessary.

The action taken herein is not to be construed as a finding of the value of the properties to be transferred.

O R D E R

IT IS ORDERED that:

1. On or after the date hereof and on or before December 31, 1968, Palm City Water Company may transfer its public utility water system to Coachella Valley County Water District in accordance with, or in substantial accordance with, the terms and conditions set forth in the Water Works Acquisition Agreement, a copy of which is attached to the application as Exhibit A.

A. 49845 bem

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

3. Within ten days after the actual date of transfer, Palm City Water Company shall file with the Commission written notification of compliance with ordering paragraph 2 and of the date of transfer.

4. Upon compliance with the conditions of this order, Palm City Water Company shall stand relieved of its public utility obligations, and may discontinue service concurrently with the commencement of service by Coachella Valley County Water District.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this
19th day of DECEMBER, 1967.

[Signature]
President

[Signature]

[Signature]

[Signature]

[Signature]
Commissioners