

ORIGINAL

Decision No. 74287

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
DAGGETT WATER COMPANY, a California
corporation, for authority to imple-
ment an agreement with DAGGETT
COMMUNITY SERVICES DISTRICT for
immediate sale of certain utility
assets and to be relieved of its
obligation as a public utility.

Application No. 50212
Filed May 2, 1968

O P I N I O N

Applicant, Daggett Water Company, requests authority to sell all its public utility assets to the Daggett Community Services District, a public agency organized under the Community Services District Law (Section 61000, et al.; Gov. Code), hereinafter referred to as "District"; and to be relieved of its obligation as a public utility.

Applicant is currently engaged in the operation of a public utility water system located in the area known as Daggett, California. All of applicant's customers and utility plant are located within the boundaries of the District. The agreed purchase price to be paid by District is \$68,500. Closing date for the sale is not later than August 1, 1968. Upon receipt of the consideration, and approval by the Commission, applicant will cease to operate as a public utility and it will be dissolved.

The District's resident voters, by a vote of 105 to 14 on or about October 31, 1967, voted to incur a bonded indebtedness in order to acquire all the facilities of the applicant and to construct additional water works. Being a public agency, the

District has certain financial advantages; it is not subject to general ad valorem taxes; it is a member of the Mojave Water Agency, which has a contract with the State of California for supplementary water under the State Water Plan, thereby assuring its consumers an adequate water supply; it is eligible for loans and grants from the U. S. Government. Water rates will remain at substantially the same level as now being charged by applicant.

Applicant states that it is necessary to terminate its operations because it has sustained operating losses due to lack of consumer density. Applicant has filed its 1967 annual report with the Commission.

After consideration, the Commission finds that the sale of applicant's assets and rights, pursuant to the purchase agreement attached to this application, and the termination of applicant's public utility obligations would not be adverse to the public interest.

O R D E R

IT IS ORDERED that:

1. On or before June 9, 1969, Daggett Water Company may sell and transfer, and Daggett Community Services District may purchase and acquire, the operative rights and property referred to in the application.

2. Within thirty days after the consummation of the transfer herein authorized, Daggett Community Services District shall notify the Commission, in writing, of that fact and within said period shall file with the Commission a true copy of any bill of sale or other instrument of transfer which may be executed to effect said transfer.

3. Upon completion of the sale and transfer authorized herein and upon compliance with the terms and conditions of this order, Daggett Water Company shall be relieved of its public utility obligations in connection with the utility system herein authorized to be transferred.

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

Dated at San Francisco, California, this 25th day of JUNE, 1968.

[Signature]
President
[Signature]
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Commissioners