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Decision No. _____

74852

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of PALM VALLEY WATER
COMPANY, a California corporation,
for authority to sell its assets
to COACHELLA VALLEY COUNTY WATER
DISTRICT, a public agency, and for
authority to cease operations as a
public utility.

Application No. 50597
(Filed October 3, 1968)

O P I N I O N

Palm Valley Water Company requests authority to sell its water system to the Coachella Valley County Water District, a public agency.

The water system is located generally in an area between Cathedral City and Indian Wells, Riverside County.

The agreed consideration is \$600,000, plus the cost in place of additions and betterments, less retirements, made to the system between January 1, 1963 and the closing date. Payments are to be made in 25 annual installments, the first to be made on or before November 1, 1969, with interest at the rate of 5 1/4 percent per annum on the unpaid balance.

According to the agreement between the parties the district shall assume all of the obligations and liabilities of the Palm Valley Water Company under refund agreements outstanding at the closing date. By letter dated October 11, 1968 the utility informed the Commission that it will refund to its customers all outstanding refundable deposits made to establish credit.

It is alleged that if the closing date and the purchase and sale of the system have not occurred before November 5, 1968, and the proposed constitutional agreement adding Section 30 to

Article XIII to the California Constitution (Watson Amendment) is approved by the electorate on November 5, 1968, the agreement shall be automatically cancelled as of November 6, 1968. It is therefore requested that the sale be approved as soon as possible.

After consideration the Commission finds that the proposed transfer would not be adverse to the public interest and, upon consummation of the transfer, that public convenience and necessity would no longer require applicant sellers to serve within the area herein considered. A public hearing is not necessary.

O R D E R

IT IS ORDERED that:

1. On or before May 1, 1969, Palm Valley Water Company may transfer to the Coachella Valley County Water District the water system herein referred to according to the terms and conditions of the agreement attached to the application.
2. Within thirty days after the consummation of the transfer authorized by ordering paragraph 1 hereof Palm Valley Water Company 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. On or before the date of actual transfer, seller shall return to customers any refundable deposits made to establish credit.

4. Upon compliance with the conditions of this order, Palm Valley 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 shall be the date hereof.

Dated at San Francisco, California, this 22nd day of OCTOBER, 1963.

William J. Lyons, Jr.
President

William J. Lyons, Jr.

August
Frank P. Morrissey
Commissioners