

Decision No. 74856

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of OCEANO WATER COMPANY, INC., a California corporation, for authority to sell its assets to SOUTH SAN LUIS OBISPO COUNTY WATER CORPORATION, which, in turn, proposes to lease the acquired assets to the County of San Luis Obispo, and for an order authorizing OCEANO WATER COMPANY, INC. to cease operations as a public utility.

Application No. 50619  
(Filed October 15, 1963)

O P I N I O N

Oceano Water Company, Inc. requests authority to sell its water system to the South San Luis Obispo County Water Corporation, a non-profit corporation, which, in turn, proposes to lease the system to the County of San Luis Obispo.

The water system is located generally in and adjacent to the unincorporated community of Oceano.

The agreed consideration is \$310,000, plus the cost in place of additions and betterments, less retirements made between January 1, 1960 and the closing date. Payment of the purchase price by the corporation will be made from the proceeds derived from the sale of bonds and will be made in full at the time of closing. The sale is conditioned upon the concurrent acquisition by the purchaser of the assets of Avila Water Company, Inc. (Application No. 50610).

Upon the acquisition of the water system applicant purchaser proposes to lease the system to the County of San Luis Obispo pursuant to a lease agreement which will terminate on October 15, 1993. Upon the termination of the lease, or upon the payment of all indebtedness of the purchaser the non-profit corporation shall dissolve and the assets of the system shall be taken over by the County of San Luis Obispo.

Applicant seller shall retain and continue to assume all outstanding obligations and liabilities which have been incurred under any main extension agreements. In addition, any customers deposits of record will be refunded to the customers at the time of closing.

It is alleged that if the closing date and the purchase and sale 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 seller 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, Oceano Water Company, Inc. may transfer to South San Luis Obispo County Water Corporation the water system herein referred to according to the terms and conditions of the agreement attached to the application.
2. On or before the date of actual transfer, Oceano Water Company, Inc. shall refund all customers' deposits and all advances for construction which are subject to refund and due to be refunded on or before said transfer date.
3. Before transfer of its assets Oceano Water Company, Inc, shall deposit a sufficient sum of money in escrow with a suitable

bank, trust company or other licensed escrow agent, with escrow instructions for payment of the refunds of extension agreements.

4. Within thirty days after the date of actual transfer, Oceano Water Company, Inc. shall submit written notification to this Commission of the refunding of deposits and establishment of escrow required herein, the date of transfer, and the date upon which purchaser shall have assumed operation of the water system authorized herein to be transferred. A true copy of the instrument or instruments of transfer shall be attached to the written notification.

5. Upon compliance with the conditions of this order, Oceano Water Company, Inc. shall stand relieved of its public utility obligations, and may discontinue service concurrently with the commencement of service by the South San Luis Obispo County Water Corporation.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 22<sup>nd</sup> day of OCTOBER, 1968.

William Symons, Jr.  
President

Stella M. Beard

Augusta

Fred P. Monseig  
Commissioners