

Decision No. 76062

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of)
PLANADA WATER COMPANY, for an Order)
authorizing it to sell a public utility)
water system.)

Application No. 51232
(Filed July 8, 1969)

OPINION AND ORDER

By this application Planada Water Company, a California corporation, seeks authority to sell its system and other property to the Planada Community Services District, which has joined in the application.

The system furnishes water to the town of Planada in Merced County. A certificate of public convenience and necessity was issued on December 18, 1956 in Decision No. 54280 in Application No. 37529. At one time William H. Houlihan was the major shareholder in the corporation. Upon his death in August of 1967 his wife Margaret E. Houlihan succeeded to his interest in the stock and since then has acted as general manager of the business. She now desires to retire and divest herself of the problems of operating a business.

The District is a duly organized community services district pursuant to the laws of California. It has obtained a commitment from the Farmers Home Administration of the U. S. Department of Agriculture for loans and grants in the sum of \$284,000 to acquire the system and to make substantial improvements therein; the agreed upon purchase price is \$83,600. On July 15, 1969 an election was held which authorized the incurring of bonded indebtedness by the District. It is expected that the Administration will purchase the bonds to be issued by the District.

All of the present customers of the water system are located within the District's boundaries.

It is alleged that the proposed transfer is in the public interest and will result in the customers having the benefit of an improved system.

No public hearing appears necessary. The Commission finds that the proposed disposition of the system and property necessary and useful in the performance of the public duties of Planada Water Company is not adverse to the public interest and concludes that the transfer should be authorized.

IT IS ORDERED that:

1. Within one year after the effective date hereof, Planada Water Company is authorized to sell and transfer its water system and property necessary and useful in the performance of its public duties to Planada Community Services District.
2. Upon completion of the sale and transfer herein authorized and upon compliance with all the terms and conditions of this order Planada Water Company shall be relieved of its public utility obligations in connection with the utility system herein authorized to be transferred.
3. Upon completion of the transfer all maps, rates and rules on file with the Commission and covering the system referred to herein are cancelled and annulled.
4. On or before the third month after the date of transfer Planada Water Company shall file with the Commission, in such form as the Commission shall prescribe, an annual report covering the operations of said company commencing with the first day of the current year to and including the effective date of transfer.

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5. On or before date of actual transfer Planada Water Company shall refund all customer deposits for the establishment of credit and all advances for construction, if any. Within ten days after completion of all such refunds it shall advise the Commission in writing of the date and amount of each refund.

6. Within ten days after the date of actual transfer Planada Water Company shall file in this record a true copy of the instrument of transfer and notify the Commission in writing of the date of said transfer.

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

Dated at San Francisco, California, this 19th day of AUGUST, 1969.

William Lyons J.
President

Augustine
Joe P. W. W. W. W.
W. W. W. W.

Thomas W. W.
Commissioners