

Decision No. 77810

ORIGINAL

## BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of ROBERT M. SCOTT and STELLA D. SCOTT, husband and wife, doing business as KAWEAH WATER CO., and CALIFORNIA WATER SERVICE COMPANY, a corporation, for an order authorizing (1) the sale and transfer to California Water Service Company of the water system and certificate of public convenience and necessity of the Kaweah Water Co., (2) the discontinuance of service by Kaweah Water Co. in the territory now served by it, (3) the commencement of service in said territory by California Water Service Company.

Application No. 52155  
(Filed August 24, 1970)

O P I N I O N

Robert M. Scott and Stella D. Scott, doing business as Kaweah Water Co. (sellers), and California Water Service Company (buyer), request authority for sellers to transfer their water system to buyer and for sellers to be relieved of their public utility obligation.

Sellers are presently a public utility in the business of supplying water to 77 customers in an area which includes Tract No. 214, located near Visalia in Tulare County. The cost of the property being transferred is \$28,896.63, the depreciation reserve as of December 31, 1969, was \$7,661.91, resulting in a net book cost of \$21,234.72. The selling price is \$17,250 plus the assumption of main extension agreement liability in an amount not to exceed \$4,465.69 plus other considerations set forth in the sales agreement attached to the application. Sellers are to retain and refund to sellers' customers all refundable deposits made by customers to guarantee payment of bills.

Sellers are anxious to withdraw from the public utility water business and believe it would be to the advantage of sellers' customers to have sellers' water system owned and operated by buyer. Buyer is engaged as a public utility in the business of the supply and distribution of water for domestic and industrial purposes in many localities in the State of California, including Visalia. Buyer is willing to purchase sellers' water system because its accounting and operational functions may be integrated into buyer's Visalia district, sellers' water system being located within 3,000 feet of buyer's service area. Buyer proposes to furnish water service at sellers' existing rates and in accordance with the effective rules of buyer in its Visalia district.

We find that:

1. Buyer has the ability to acquire and operate sellers' water system without interruption in service.
2. Sellers have agreed to refund to sellers' customers all refundable deposits made by customers to guarantee payment of bills.
3. Buyer has agreed to assume liability for main extension agreements relating to sellers' service area in total amount not to exceed \$4,465.69.
4. Upon the consummation of the proposed transfer, sellers will be no longer performing public utility service.
5. Subject to the conditions set forth in the order which follows, the proposed sale and transfer will not be adverse to the public interest.
6. A public hearing is not necessary.

We conclude that the application should be granted as provided in the following order.

The authorization herein granted shall not be construed as a finding of the value of the rights and properties herein authorized to be transferred.

O R D E R

IT IS ORDERED that:

1. Within one year after the effective date of this order, Robert M. Scott and Stella D. Scott, doing business as Kaweah Water Co., may sell and transfer to California Water Service Company the properties referred to herein, substantially in accordance with the terms of the deed and bill of sale attached to the application herein, but subject to the conditions of this order.

2. Within ten days after the date of actual transfer, sellers shall file in this proceeding written notification of the refunding of all customer deposits made to guarantee the payment of bills, if any, the date of transfer and the date upon which buyer shall have assumed the 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.

3. After the effective date of this order, and not less than five days before the date of actual transfer, buyer shall file new and revised tariff sheets, including a tariff service area map, to provide for the application in sellers' service area of sellers' presently existing rates and buyer's presently effective Visalia district rules. Such filing shall comply with General Order No. 96-A. The effective date of the new and revised tariff sheets shall be the date of the actual transfer.

4. On or before the date of actual transfer, sellers shall deliver to buyer, and buyer shall receive and preserve, all available

records, memoranda and papers pertaining to the construction and operation of the properties authorized herein to be transferred.

5. Upon the compliance with all conditions of this order, sellers shall stand relieved of their public utility obligations in the area served by the transferred system and may discontinue service concurrently with the rendering of service by buyer.

6. On or before the end of the third month after the date of actual transfer, buyer shall cause to be filed with the Commission in such form as the Commission may prescribe, an annual report covering the period from the first day of the current year to and including the effective date of the transfer. Thereafter buyer is authorized to integrate the transferred system into its Visalia district for accounting and operational purposes.

7. Buyer shall account for the acquisition of the properties herein authorized to be conveyed in accordance with the requirements of the Uniform System of Accounts for Water Utilities (Class A, Class B and Class C), and within sixty days after the consummation of the conveyance, it shall file with the Commission a copy of each journal entry used to record the acquisition on its books of account.

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

Dated at San Francisco, California, this 14th day of OCTOBER, 1970.

[Signature]  
Chairman

[Signature]

[Signature]

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Commissioners