

SW /hjh

ORIGINAL

Decision No. 78547

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
SAN GABRIEL VALLEY WATER COMPANY
and WEST SAN BERNARDINO COUNTY WATER
DISTRICT for an Order authorizing
the sale of certain properties of
San Gabriel Valley Water Company
to West San Bernardino County Water
District

Application No. 52486

(Filed March 9, 1971)

O P I N I O N

San Gabriel Valley Water Company (Company), a corporation, seeks authority to sell and transfer a portion of its water system and other assets to the West San Bernardino County Water District (District). The District joins in the application.

On March 4, 1971, the Company and the District executed an agreement (Exhibit II on the application) whereby, subject to the authorization of this Commission, the Company is to transfer approximately 435 out of over 14,300 active service connections and the related mains, services, meters, fire hydrants, easements, and incidental property to the District. As consideration therefor the District, among other things, has agreed to pay the Company a base price of \$211,716.34, subject to adjustment to arrive at the actual purchase price which is to be determined as follows:

(a) Add the cost, determined in accordance with regulations applicable to water companies subject to the jurisdiction of the Commission, of all additions, improvements and betterments

to the properties added between September 14, 1970, and the closing date, determined as follows:

"The closing date and time shall be at such time and on such date after the approval of the Public Utilities Commission is obtained (but not later than six (6) months after the date of this Agreement, unless the parties agree in writing to an extension of this Agreement) as the parties shall designate in writing upon not less than fifteen (15) days' notice, or such earlier or later date as to which the parties may agree."

(b) To the extent, if any, not included in the foregoing cost, add the cost incurred by the Company on account of work in progress subsequent to September 14, 1970, and prior to the closing date.

(c) Deduct the cost depreciated as of September 14, 1970, of any of said properties sold or retired subsequent to September 14, 1970, and prior to the closing date.

No adjustment to the purchase price hereunder shall be made with respect to any water main extension agreements entered into before or after the date hereof and prior to the closing date. As to an agreement relating to Tract No. 8247, San Bernardino County, or any other such agreements entered into after September 14, 1970, and before the closing date, the District shall on the closing assume the Company's obligation incurred thereunder. The Company will continue to be responsible for refunds becoming due under any other presently existing agreements relating to the properties. The Company has agreed that refunds on main extension agreements made by it will be based on the cost of water delivered by the District. The Company agrees not to make any improvements under

any such agreements entered into after the date hereof within the area served by said properties without the approval of the District as to design thereof, which approval shall not be unreasonably withheld.

The Company is to repay customers' deposits together with accrued interest relative to the properties transferred.

The District agrees to serve all customers in the area transferred at the rates, rules and regulations established by the District for its existing customers.

As condition for the transfer, the parties agreed that the transfer should be subject to authorization from this Commission.

The District agrees to assume all of the obligations and liabilities of the Company with respect to Tract No. 8247 and any other agreements entered into after September 14, 1970, as hereinbefore stated. No other debt or obligations of the seller are assumed by the District.

Findings and Conclusion

We find that:

1. The terms of the purchase agreement, Exhibit II on the application, adequately protect the customers of the Company who will be transferred to the District. Monthly charges for water service to residential customers are comparable from either of these water purveyors.

2. All refunds due or to become due on Tract No. 8247, and any other agreements entered into after September 14, 1970, are to be paid by the District. The Company will refund all others.

3. The Company will return all customers' deposits until date of transfer.

4. The parties should be authorized to carry out the terms of the agreement of sale in the form of Exhibit II on the application.

5. The proposed transfer of the facilities referred to in the agreement, Exhibit II on the application, is not adverse to the public interest.

6. Upon completion of the transfer, the Company should be relieved of its public utility water corporation obligations relative to the portion of its service area depicted on Exhibit A on the application, except its obligation relative to unrefunded portions of its main extension agreements not acquired by the District and customers' deposits.

7. The relief of the Company from its public utility obligation relative to the portion of its service area referred to herein, and the assumption of said obligations by the District, will not be adverse to the public interest.

8. A public hearing is not necessary.

The Commission concludes that the application should be granted subject to the conditions set forth in the ensuing order.

O R D E R

IT IS ORDERED that:

1. San Gabriel Valley Water Company may sell and transfer to the West San Bernardino County Water District the assets and property listed in Exhibit II on the application herein under the terms and conditions set forth in said exhibit.

2. Within thirty days after the closing date of the transfer, San Gabriel Valley Water Company shall file with the Commission two conformed copies of the agreement of sale, Exhibit II, as executed, together with a statement of the date upon which such agreement and transfer became effective.

3. Within ten days after the closing date of the transfer, San Gabriel Valley Water Company shall file with the Commission a complete list of all unrefunded main extension agreements in the transferred area as of said date, exclusive of those main extension agreements to be assumed by the West San Bernardino County Water District, together with the amounts actually due thereon and the amounts to be refunded in the future by San Gabriel Valley Water Company.

4. Within ten days after the closing date, San Gabriel Valley Water Company shall file a statement that all customers' deposits have been repaid to the customers entitled thereto.

5. On the effective date of actual transfer, and provided there has been compliance with all the conditions of this order, San Gabriel Valley Water Company shall stand

relieved of its public utility obligations in connection with the portion of its public utility water system herein authorized to be transferred.

6. The authority granted herein shall expire one year after the effective date hereof unless earlier exercised.

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

Dated at San Francisco, California,
this 13th day of APRIL 1971.

[Signature]
Chairman
William S. Quinn
[Signature]
Vernon L. Sturgeon
[Signature]
Commissioners