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**ORIGINAL**

Decision No. 78904

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of BRENTWOOD PARK WATER )  
CO., a corp. to sell, and of TUOLUMNE )  
COUNTY WATER DISTRICT NO. 2 to buy a )  
water system in Tuolumne County. )

Application No. 52648  
(Filed May 27, 1971)

O P I N I O N

Applicant Brentwood Park Water Co., a corporation, (hereinafter called Seller) is the owner of a water system known as Brentwood Park Water Co. which serves a residential area in or near the community of Twain Harte in Tuolumne County under a certificate of public convenience and necessity granted by Decision No. 63548 dated April 10, 1962 in Application No. 43911 and extensions thereof granted by Decision No. 64932 dated February 13, 1963 in Application No. 44623, and Decision No. 69694 dated September 21, 1965 in Application No. 47487. Seller requests authorization to transfer said water system to Tuolumne County Water District No. 2 (hereinafter called Buyer) and thereafter to be relieved of its public utility responsibilities.

The water system consists of 131 active services and 322 inactive service connections. One meter is installed. There are also 33 fire hydrants. The source of the water supply is the PG&E Main Canal. The water treatment equipment consists of filters, chlorinator, and miscellaneous other equipment. The storage capacity in the system totals 146,000 gallons.

The original cost of the property being transferred is \$218,304 and the depreciation reserve as of December 31, 1970 is \$27,811, resulting in a net book cost of \$190,493. The maximum selling price is \$182,650, and the consideration for the sale is as follows:

- a. \$25,000 down payment.
- b. Assumption of main extension agreements set forth in the Agreement for Sale, which is Exhibit A attached to the application. The amounts payable under such assumption total approximately \$19,000.
- c. 22 percent of the gross revenue to be received within the service area for a period of 15 years or until the deferred amount reaches \$138,650, whichever event first occurs.

Seller desires to dispose of the system because the need for expansion of the system is beyond the capability of Seller. Buyer desires to acquire the system because the need for water in adjoining areas is critical, and Buyer intends to extend the present system.

Seller warrants that:

- a. There are no customer deposits to establish credit.
- b. All refunds due on main extension advances have been paid on a current basis and none are overdue.
- c. Seller and Buyer have made appropriate arrangements between themselves for Buyers to pay future refunds as they become due.

The Commission finds that:

1. Buyer has the ability to acquire and operate Seller's water system without interruption in service.
2. Upon the consummation of the proposed transfer Seller will no longer be performing public utility service.
3. Subject to the conditions set forth in the order which follows, the proposed sale and transfer will not be adverse to the public interest.
4. A public hearing is not necessary.

On the basis of the foregoing findings the Commission concludes that the application should be granted as provided by the following order.

O R D E R

IT IS ORDERED that:

1. Within one year after the effective date of this order, Brentwood Park Water Co., a corporation, Seller, may sell and transfer to Tuolumne County Water District No. 2, Buyer, the water system properties referred to herein, substantially in accordance with the terms of the agreement attached to the application herein and designated as Exhibit A.

2. Within ten days after the actual date of transfer, Seller shall file in this proceeding (a) a written statement showing the date of transfer and the date upon which Buyer assumed operation of the water system herein authorized to be transferred, and (b) a true copy of each instrument of transfer of said water system.

3. Upon compliance with the conditions of this order, Seller shall stand relieved of all its public utility obligations in the area served by the transferred system and may discontinue service concurrently with the commencement of service by Buyer.

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

Dated at San Francisco, California, this 13<sup>th</sup> day of JULY, 1971.

Chairman

William S. Quinn, Jr.  
[Signature]  
[Signature]

Commissioners

Commissioner J. P. Vukasin, Jr., being necessarily absent, did not participate -3- in the disposition of this proceeding.

Commissioner D. W. Holmes, being necessarily absent, did not participate in the disposition of this proceeding.