

ORIGINAL

Decision No. 79249

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of the SOBRANTE WATER COMPANY for
authorization to transfer its water
system assets to the EL SOBRANTE
COUNTY WATER DISTRICT and to be
relieved of its obligations as a
public utility.

Application No. 52804
(Filed August 11, 1971)

O P I N I O N

Applicant Sobrante Water Company, a corporation, was declared to be a public utility subject to the jurisdiction of this Commission by Decision No. 31615 issued January 3, 1939, in Case No. 4354. Said applicant is engaged in the business of selling water for domestic consumption in the unincorporated area of approximately 240 acres generally described as a portion of Rancho El Sobrante, Contra Costa County, and about two miles south of the town of Pinole. There are 136 customers served in this area all of whom are also within the boundaries of the El Sobrante County Water District and can be served by said district.

Applicant states that the operation of the water system has not been economically sound and is actually substandard. In order to conform with existing rules and regulations of the State and County, as well as this Commission, it is necessary to rebuild the water system. Applicant is without sufficient assets to perform this work, but the work can be accomplished if the water system assets are transferred in accordance with the provisions of the agreement attached to the application.

The Sobrante Water Company, the East Bay Municipal Utility District and the El Sobrante County Water District have entered into such agreement, subject to the approval of this Commission, for the transfer of applicant's water system to the East Bay Municipal Utility District for the sum of \$14,000 to be paid to Sobrante Water Company by El Sobrante County Water District. A copy of said agreement is attached to the application as Exhibit 2.

On September 2, 1971, East Bay Municipal Utility District filed a petition in support of the application herein. In its petition East Bay Municipal Utility District states that if the application is granted, it agrees to undertake service within the areas in Contra Costa County presently served by Sobrante Water Company, in accordance with the provisions of the annexation agreement between said petitioner and El Sobrante County Water District, attached to the petition as Exhibit "A", provided that (1) the terms and conditions upon which the application herein is granted are acceptable to said petitioner, and (2) there is delivered to said petitioner a conveyance acceptable to the District (East Bay Municipal Utility District) conveying title to any facilities to be transferred to said District free and clear of encumbrances. Petitioner requests that the authorizations granted by the Commission in the order below be subject to the terms and conditions of Exhibit "A", attached to the petition, and that they be made effective whenever petitioner undertakes service in the area now served by applicant.

Applicant states that it has no outstanding advances for construction and that all deposits to establish credit will be refunded by the applicant when the El Sobrante Water District takes over.

Applicant requests that the Commission (1) authorize it to transfer its water system assets to the El Sobrante County Water District and (2) authorize applicant to discontinue water service and relieve it of its obligations as a public utility water company.

The Commission finds that:

1. The proposed transfer will not be adverse to the public interest.
2. 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 two years after the effective date of this order, Sobrante Water Company, a corporation, may transfer its water system properties (1) to El Sobrante County Water District for the purpose of being transferred to East Bay Municipal Utility District, or (2) directly to East Bay Municipal Utility District, pursuant to the provisions of an agreement substantially in the form of the agreement dated November 4, 1970, by and between Sobrante Water Company, East Bay Municipal Utility District and El Sobrante County Water District, which agreement is attached to the application herein as Exhibit 2, and subject to the provisions of the order herein.
2. On or before the date of actual transfer, Sobrante Water Company shall refund all customers' deposits for the establishment of credit and all advances for construction, if any, which are subject to refund and due to be refunded as of said transfer date.
3. Within ten days after the actual date of transfer, Sobrante Water Company shall file in this proceeding (a) a written statement showing the refunding of all deposits and advances, the date of transfer and the date upon which East Bay Municipal Utility District 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.


4. Upon completion of the sale and transfer authorized herein and upon compliance with all of the terms and conditions of this order, Sobrante Water Company shall stand relieved of all of its public utility obligations in the area served by the transferred system and may discontinue service concurrently with the commencement of service in said area by East Bay Municipal Utility District.


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


Dated at San Francisco, California, this 19th day of OCTOBER, 1971.



Chairman







Commissioners