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Decision No. 81810

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Joint Application of Eastwood Water Company, a co-partnership of Aaron Aharonian and Marvin Aharonian and the Board of Public Utilities Commissioners of the City of Tulare, a body politic, for an Order Authorizing the Company to sell It's Assets to the Board and Authorizing the Board to Purchase the Assets of the Company.

Application No. 54057
(Filed May 24, 1973)

O P I N I O N

By this joint application Eastwood Water Company (Eastwood), a co-partnership of Aaron Aharonian and Marvin Aharonian, and the Board of Public Utilities Commissioners of the City of Tulare (City) request an order of the Commission authorizing Eastwood to transfer its public utility water system assets to City pursuant to Section 851 of the Public Utilities Code.

The balance sheet of Eastwood as of December 31, 1971, which is part of Exhibit C attached to the application, shows total assets, all comprised of water utility plant less reserve for depreciation, of \$17,318, and total equity and liabilities, all of which is proprietary capital, also of \$17,318. In 1971 Eastwood had revenues of \$3,159, expenses and taxes of \$2,254 and net revenues of \$905. There were no customers' deposits nor advances. As of December 31, 1971 Eastwood served 42 flat rate residential customers, 3 industrial flat rate customers, and 4 fire hydrants.

A portion of the Eastwood system is located outside of the boundaries of the City in unincorporated territory of the county of Tulare. The application does not indicate whether City intends to charge higher rates to customers located outside of the City boundaries.

The purchase price of the system is to be \$36,000, \$9,000 of which is to be paid upon approval of the transfer by the Commission and the balance in four equal annual installments of \$6,750, plus interest at 6% on the unpaid balance commencing on November 1, 1973.

The City took possession of the system on November 1, 1972 and has operated the water system as an agent for Eastwood pending completion of the transfer.

The Commission has received no protests to the proposed transfer and the staff has expressed neither objection nor comment.

The Commission finds that:

1. The proposed transfer, according to the terms of the order which follows, will not be adverse to the public interest.
2. A public hearing is not necessary.
3. We find with reasonable certainty that the project involved in this proceeding will not have a significant effect on the environment.

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 date of this order Eastwood Water Company (Eastwood), a co-partnership of Aaron Aharonian and Marvin Aharonian, may transfer to the Board of Public Utilities Commissioners of the City of Tulare (City), in the name of the City of Tulare, Eastwood's water system properties as requested in this application.

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2. Within ten days after the date of actual transfer Eastwood shall file in this proceeding (a) a written statement showing the date of transfer and (b) a true copy of each instrument of transfer of the water system.

3. Upon compliance with the conditions of this order Eastwood shall stand relieved of all its public utility obligations in the area served by the transferred system.

4. As to the rates, rules, and conditions of service that City will apply within the service area of Eastwood, City shall not discriminate as to service rendered within City boundaries and outside City boundaries, except that City may adjust its rates and charges to customers outside City boundaries but within Eastwood's service area to offset any reasonable and proper tax burden or other assessments sustained by the water users within City boundaries in subsidizing those operations of City's water system which result in benefits to customers located outside City boundaries.

5. Prior to the effective date hereof City shall file with the Commission a resolution agreeing to the conditions imposed in Ordering Paragraph 4.

6. The conditions imposed by Ordering Paragraph 4 are for the benefit of the customers of Eastwood, who may enforce them in the Superior Court.

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

Dated at San Francisco, California, this 28th day of AUGUST, 1973.

Veran L. Latham President
William L. Latham
William L. Latham
William L. Latham
Commissioners

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