

Decision 84 67 105

JUL 18 1984

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of CALIFORNIA WATER SERVICE COMPANY, a corporation, for an order authorizing (1) the sale and transfer to the City of Daly City of public utility property of Applicant in the City of Daly City, and (2) the discontinuance of service by Applicant in certain territory in the City of Daly City.

Application 83-03-82
(Filed March 30, 1983)

INTERIM OPINION

California Water Service Company (applicant) seeks an ex parte order of this Commission authorizing the sale and transfer of public utility property in the City of Daly City (City) to the City and the discontinuance of service by applicant in certain territory in the City. Applicant seeks authority pursuant to Public Utilities Code § 851 and General Order 96-A, § XIV.

Applicant presently owns and operates public utility water systems in a number of locations in California, including portions of the City in its South San Francisco District (District).

The City has decided to acquire that portion of applicant's District's facilities which provide service to a small area within the City. To facilitate the acquisition, applicant and City have entered into an Agreement of Sale dated March 16, 1983 (Agreement) providing for the sale of facilities for \$60,000, subject to adjustment for additions and betterments to the closing date. City and applicant agreed to a closing date by August 31, 1983, which date has passed.

The facilities consist of all water mains, pipes, pipelines, valves, connections, fire hydrants, meters, and meter boxes located within the area outlined in red on the map (Attachment A to the Agreement), except for two 6-inch mains and certain service connections described in the Agreement (Par. 1(a) and (6)).

The undepreciated book cost of the facilities is \$44,000 and the depreciated book cost is \$35,000. The issue of whether the gain of the sales price over the net book cost should go entirely to the shareholders or to the ratepayers, or be split between them is being considered in Pacific Gas and Electric Company's Application (A.) 83-04-37. Applicant's letter of May 10, 1983, received as Exhibit 1, states that 64 customers are to be transferred out of a total of 14,030 customers in the District, leaving about 50 customers served by applicant within the City. The letter further states that there are no unrefunded advances for construction and \$110 of unrefunded customer deposits. ✓

Notice of the application appeared in the Commission's Daily Calendar of April 1, 1983. By notice dated April 4, 1983, applicant notified each customer to be transferred about the application. These customers were furnished bill comparisons at various consumptions. Applicant's rates exceed city's rates as follows: 300 cubic feet (3 Ccf), 50%; 7 Ccf, 25%; 10 Ccf, 17%; 15 Ccf, 10%; and 25 Ccf, 4%. No protest has been received.

Findings of Fact

1. A public hearing is not necessary.
2. The proposed sale and transfer from applicant to City is not adverse to the public interest.
3. The City will charge rates which are less than the rates currently charged by applicant.
4. The City has the ability to operate and maintain the water system in a manner which will not be detrimental to the public interest.

5. It can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

6. There is no known opposition and no reason to delay granting the authority requested.

Conclusions of Law

1. The application should be granted.

2. Applicant should be released from its public utility obligation in the area being transferred and City should undertake that obligation.

The effective date of this order should be the date of signature in order to provide for an expeditious transfer, since there is no known opposition and no reason to delay the request. This authorization is not a finding of the value of rights and properties to be transferred.

INTERIM ORDER

IT IS ORDERED that:

1. The Agreement of Sale (Agreement) between California Water Service Company (applicant) and the City of Daly City (City), California, attached to the application, with such changes as may be necessary that are not inconsistent with this decision, is approved.

2. On or before December 31, 1984, applicant may perform such acts as necessary to transfer its water system located in the City within the area outlined in red on Attachment A to the Agreement except for two 6-inch mains and certain service connections described in the Agreement (Par. 1(a) and (6)), to the City according to the terms of Agreement.

3. On or before the date of transfer, applicant shall refund the unrefunded credit deposits to customers within the area to be sold.

4. Within 10 days after transfer, applicant shall notify the Commission in writing of the date of transfer, the date of deposit refunds, and the date when the City began operating the water system. A true copy of the transfer documents shall be attached to the notice.

5. On or at the time of actual transfer, applicant shall deliver to the City, and the City shall keep, all records pertaining to the construction and operation of the transferred water system.

6. Upon compliance with the above ordering paragraphs, applicant shall be relieved of its public utility obligation in connection with the transferred system.

7. The accounting for the proceeds of the sale will be according to further Commission order after decision in A.83-04-37.

8. The application is granted as set forth above. ✓

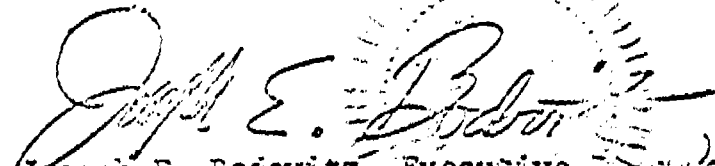
This order is effective today.

Dated July 18, 1984, at San Francisco, California.

LEONARD M. GRIMES, JR.
President

VICTOR CALVO
PRISCILLA C. GREW
DONALD VIAL
WILLIAM T. BAGLEY
Commissioners

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY.


Joseph E. Bodovitz, Executive Director

The facilities consist of all water mains, pipes, pipelines, valves, connections, fire hydrants, meters, and meter boxes located within the area outlined in red on the map (Attachment A to the Agreement), except for two 6-inch mains and certain service connections described in the Agreement (Par. 1(a) and (6)).

The undepreciated book cost of the facilities is \$44,000 and the depreciated book cost is \$35,000. The issue of whether the gain of the sales price over the net book cost should go entirely to the shareholders or to the ratepayers, or be split between them is being considered in Pacific Gas and Electric Company's Application (A.) 83-04-37. Applicant's letter of May 10, 1983, received as Exhibit 1, states that 64 customers are to be transferred out of a total of 14,030 customers in the District, leaving about 50 customers served by applicant within the City. The letter further states that there are no unrefunded advances for construction and \$110 of unrefunded customer deposits.

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