

Decision 82 01 22

JAN 5 1982

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
the PATTERSON CITY WATER COMPANY)
for an order authorizing the sale)
of its water system to the City of)
Patterson, California.)

Application 61050
(Filed November 10, 1981)

O P I N I O N

This application requests authority under Public Utilities (PU) Code § 851 to sell the water system of Patterson City Water Company (Company), a public utility water corporation to the City of Patterson (City).

Company provides water service to some 1,300 customers in its service territory which is generally coextensive with the city limits of City.

The proposed purchase price is \$600,000. Company has agreed to accept in lieu of \$600,000 cash, revenue bonds of City in the face amount of \$600,000 with an interest rate of 8-1/2% and maturing 25 years from date of issue. If City does not receive a more favorable bid for its bonds Company's offer will be accepted and the bonds issued to it.

The properties to be transferred are described in Paragraph 2, Description of Property To Be Sold, of the Agreement covering the sale (Exhibit C attached to the application). The Agreement further provides that City shall assume the obligations of Company outstanding at the closing date, (a) under the loan contract between Company and the Department of Water Resources of the Resources Agency of the State of California under the Safe Drinking Water Bond Act of 1976, (b) under Main Extension Agreements between Company and applicants for service, and (c) for refund of customer deposits.

As of December 31, 1980 Company reported total plant less reserves for depreciation in the amount of \$413,133. As of the same date total assets of Company amounted to \$599,475.

Notice of the filing of the application appeared in the Commission's Daily Calendar of November 13, 1981. No protests to the application have been received.

Findings of Fact

1. Public hearing in this matter is unnecessary.
2. Transfer of the water system from Company to City is in the public interest.
3. Sale agreement provides that City shall assume the obligations of Company outstanding at the closing date; (a) under the loan contract between Company and Department of Water Resources under the Safe Drinking Water Bond Act of 1976, (b) under Main Extension Agreements between Company and applicants for service, and (c) for refund of customer deposits.

Conclusions of Law

1. The sale of Company's water system to City should be authorized.
2. Upon compliance with this order Company should be relieved of its public utility obligations to the system being transferred.

For the convenience of the parties and to expedite the transfer of the water system the effective date of the order should be the date of signature.

O R D E R

IT IS ORDERED that:

1. On or before June 30, 1982 Patterson City Water Company may transfer the water system described in the application to the City of Patterson, according to the terms in the application.

2. Ten days after transfer of the system Patterson City Water Company shall advise the Commission in writing of the date of transfer and the date when the City of Patterson begins operating the water system. A copy of the transfer documents shall be attached.

3. Upon compliance with this order Patterson City Water Company shall be relieved of its public utility obligation to the system being transferred.

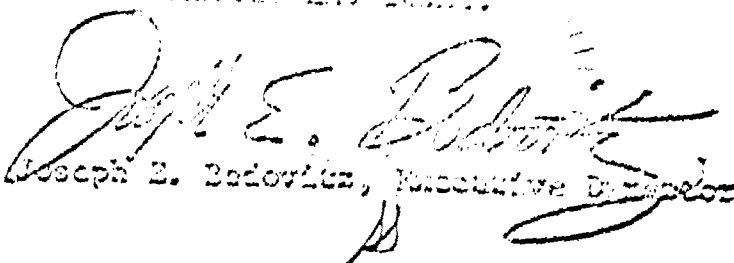
This order is effective today.

Dated JAN 5 1982, at San Francisco, California.

JOHN E. BRYSON
President
RICHARD D. GRAVELLE
VICTOR CALVO
PRISCILLA C. CREW
Commissioners

Commissioner Leonard M. Grimes, Jr.,
being necessarily absent, did not
participate.

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


Joseph E. Bodovitz, Executive Director