

Decision 83 05 050 MAY 18 1983

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Washington Water & Light Company and East Yolo Community Services District for an order authorizing Washington Water & Light to transfer and assign its water service and related facilities to East Yolo Community Services District.

Application 83-03-62
(Filed March 24, 1983)

O P I N I O N

Washington Water & Light Company (Seller) and East Yolo Community Services District (Buyer) jointly request authority under California Public Utilities Code § 851 for Seller to sell and transfer its water system to Buyer.

The verified application shows that Seller owns and operates a water system in the unincorporated communities of Bryte, Broderick, and Elkhorn in Yolo County wholly within Buyer's boundaries. The original cost of the gross plant involved in the proposed transfer as of October 31, 1982 is \$9,650,880, the depreciation reserve is \$2,061,667, and net plant is \$7,589,213. The purchase price is \$5,900,000.

Buyer will assume all public utility obligations of Seller including customer deposits and sums owing under main extension agreements.

Buyer was organized in 1976 for, among other purposes, the acquisition, ownership, and improvement of Seller's water system and related facilities. Over 70% of Seller's voters have approved its acquisition of Seller's water system and related facilities. Our issuance of an order authorizing the proposed transfer will enable Buyer to accomplish this purpose in accordance with the expressed wishes of the voters/ratepayers in Buyer's area. Accordingly, no public hearing is required.

For several years, Buyer and Seller have been engaged in proceedings before this Commission and in litigation in the state and

federal courts concerning Buyer's proposed acquisition of Seller's water system. On June 5, 1979, we issued Decision (D.) 90360 relating to just compensation for Seller's water system and related facilities. Still pending before us are Buyer's petition for a decrease of the Commission's just compensation finding in D.90360, filed March 25, 1981; Seller's petition for an increase of the Commission's just compensation finding, filed March 26, 1981; and Seller's application for a general rate increase, filed December 17, 1982 (Application 82-12-47).

After voter approval of the acquisition, Buyer initiated right-to-take proceedings in California Superior Court. That Court decided that Buyer had the right-to-take on February 24, 1981. Seller appealed the trial court's decision, and the appeal is still pending. Additionally, an action filed by Seller relating to the proposed acquisition is also still pending in Federal District Court. In that action, Seller alleges its civil rights were violated by Buyer, in seeking to condemn Seller's water system, by this Commission, in valuing the property, and by the defendants, jointly in other related actions.

Our granting of an order authorizing the transfer of Seller's water service and related facilities to the Buyer under the agreement attached to the application will result in termination of all pending litigation and proceedings and would allow Buyer to devote its efforts to the delivery and improvement of water service.

Staff recommends prompt approval of the application and, as our approval of this application is necessary to permit the parties to go forward with all settlement agreements, this order should be effective on the date of signing.

Finding of Fact

The proposed sale and transfer is not adverse to the public interest.

Conclusion of Law

The application should be granted as set forth in the following order.

O R D E R

IT IS ORDERED that:

1. The transfer and sale of Washington Water & Light Company's (Seller) water system as provided in the agreement attached to the application is approved.

2. Within 10 days after the completion of the transfer, Seller shall notify the Commission, in writing, of the date of the transfer and of the date upon which East Yolo Community Services District (Buyer) shall have assumed operation of the water system. A true copy of the instruments of transfer shall be attached to the notification.

3. This order shall be conditioned upon Seller and Buyer filing requests for dismissal with prejudice in each collateral Commission proceeding referred to in this decision.

4. Upon compliance with all of the terms and conditions of this order, Seller shall be relieved of its public utility obligations in connection with the water system transferred.

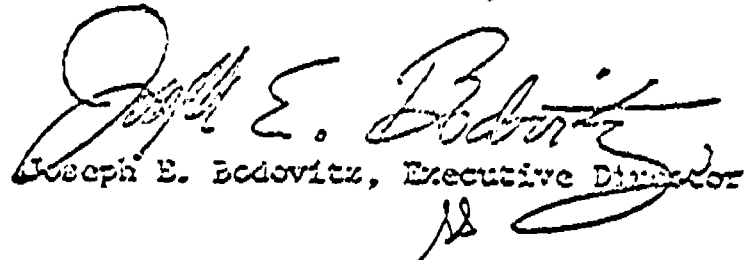
This order is effective today.

Dated MAY 18 1983, at San Francisco, California.

LEONARD M. GRIMES, JR.
President

VICTOR CALVO
PRISCILLA C. GREW
DONALD VIAL
Commissioners

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


Joseph E. Bodovitz, Executive Director