

ORIGINAL

Decision No. 89191 AUG 8 - 1978

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

The Application of SMITSON SPRINGS WATER COMPANY, a public utility, for an order authorizing the sale of assets and to be relieved of obligation to operate as a public utility.

Application No. 58171
(Filed June 26, 1978)

O P I N I O N

Smithson Springs Water Company, a California corporation (Seller), seeks authority under the provisions of Sections 851-854 of the Public Utilities Code to sell and transfer the assets of the corporation to the County of San Bernardino County Service Area No. 70 (Purchaser), and to be relieved of the obligations to provide service as a public utility water corporation.

Seller is a public utility operating under authority granted by Decision No. 39227, dated July 30, 1946, in Application No. 27537, and provides water service in Desert Springs, in the vicinity of Pinon Hills, San Bernardino County, to approximately 126 metered customers, with no flat rate customers. The annual report for the period ending December 31, 1977, shows water plant in service at \$56,293.09 with reserve for depreciation of \$34,269.74 leaving a net book value of \$22,023.35. Materials and supplies, noted at \$1,730.46, are included in the transfer under the transfer agreement, Exhibit A, in which assets included in the sale and transfer are identified. The proposed purchase price is \$83,300.00.

Purchaser has obtained loans and grants from Federal agencies of more than \$3,000,000 for the purpose of establishing a water transmission and distribution line in the Pinon Hills area, and desires to acquire the water system at the earliest possible date in order to include it in the extended service area. ✓

Seller considers the sale of the system as being in the best interests of the customers and the area, as it will permit the upgrading of the system and connection of additional residents.

Seller and Purchaser allege that all customers have been notified of the proposed sale through a series of meetings held during 1977 and 1978 at which the majority of those present favored such a sale.

Seller and Purchaser allege that there are no customer deposits nor advances for construction, and that there are no contributions in aid of construction.

It is Seller's understanding that Purchaser will initially place into effect rates which are not more than those authorized by this Commission.

Seller and Purchaser join in requesting an expeditious ex parte decision in this matter.

The Commission finds that the proposed transfer will not be adverse to the public interest. A public hearing is not necessary. The application should be granted and become effective without delay.

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

The authorization granted shall not be construed as a finding of the value of the rights and properties authorized to be transferred.

O R D E R

IT IS ORDERED that:

1. On or before December 31, 1978, Smithson Springs Water Company may sell and transfer the water system (and other assets) referred to in the application to the County of San Bernardino County Service Area No. 70, according to the terms and conditions attached to the application.

2. On or before the date of actual transfer Seller shall refund all customers' deposits for the establishment of credit, if any, which are subject to refund.

3. Within ten days after the completion of the transfer Seller shall notify the Commission, in writing, of the date of transfer, of the refunding of the deposits, and of the date upon which Purchaser shall have assumed operation of the water system. A true copy of the instruments of transfer shall be attached to the notification.

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.

Due to the desire of both parties for expeditious approval, the effective date of this order is the date hereof.

Dated at San Francisco, California, this 8th day of AUGUST, 1978.

Robert Bateman
President

Commissioner William Symons, Jr., being necessarily absent, did not participate in the disposition of this proceeding.

Thomas L. Stynes
Charles D. ...

Commissioners

Commissioner Claire T. Dedrick, being necessarily absent, did not participate in the disposition of this proceeding.