

ORIGINAL

Decision No. 89915 JAN 30 1979

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of LATON WATER COMPANY,
a California Corporation, for an
order authorizing the transfer
of its property to LATON COUNTY
WATER DISTRICT.

Application No. 57778
(Filed December 22, 1977)

O P I N I O N

Laton Water Company (Seller), by Application No. 57778, requests authority to sell and transfer its water utility properties in the community of Laton, County of Fresno, California, to Laton County Water District (Purchaser), and to be relieved of its public utility obligations.

The net book cost of the properties is \$27,920. The sale price is \$66,836 for the entire water system, serving approximately 280 services, as declared in the agreement, Exhibit B to the application.

On March 29, 1977, Purchaser, by resolution unanimously adopted by its directors, authorized that negotiations be commenced to purchase assets of the Laton Water Company.

Seller entered into the agreement for the sale and transfer of the company to the Purchaser on October 26, 1977. A copy of the agreement is attached to the application as Exhibit B. The Purchaser and the Seller had further agreed that the Purchaser would commence operation of the utility on November 1, 1977. A notice to customers, stating that as of November 1, 1977, water bills would be posted and collected by the Laton County Water District, was sent to all customers and no protests were received.

The agreement to sell was entered into by the parties in order to avoid the extensive litigation and costs that might have occurred had the Purchaser invoked its power of eminent domain to acquire Seller's utility properties.

Purchaser intends to adopt Seller's rates and continue to charge customers supplied by the facilities acquired from Seller the same flat rate of \$3.85 per month.

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

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.

O R D E R

IT IS ORDERED that:

1. On or before March 10, 1979, LATON WATER COMPANY may sell and transfer the entire water system referred to in the application to the LATON COUNTY WATER DISTRICT according to the terms and conditions of the agreement attached to the application and identified as EXHIBIT "B".
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. As a condition of this grant of authority, Buyer shall assume all liability for refunds of main extension advances, if any.
4. 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.

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5. 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.

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

Dated at San Francisco, California, this 30th day of JANUARY, 1979.

Richard D. Gould
President
William L. Sturgeon
Clair T. DeLuca

Commissioners

Commissioner John E. Bryson

Present but not participating.

Commissioner Leonard M. Grimes, Jr.

Present but not participating.