

ORIGINAL

Decision No. 90100 MAR 27 1979

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

APPLICATION OF CP NATIONAL CORPORATION, a California corporation, to sell, and of WEAVERVILLE COMMUNITY SERVICES DISTRICT, a California Community Services District, to buy, a water system in the Weaverville area of Trinity County.	) ) ) ) ) )	Application No. 58650 (Filed February 2, 1979)
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O P I N I O N

CP National Corporation (CPN), a California corporation, (Seller), and Weaverville Community Services District (District), (Purchaser), jointly request authorization under Section 851 of the California Public Utilities Code for CPN to sell, convey, transfer and assign the Weaverville water distribution facilities to District in accordance with the terms and conditions of an Agreement for Acquisition of Weaverville District Water System (Agreement), attached to the application as Exhibit A.

Seller's Weaverville District provides domestic and commercial water service to approximately 1,010 metered customers, flat rate service to one customer, and service to one private fire connection and two public fire hydrants in the Community of Weaverville, Trinity County, California, and adjacent area. The application and the agreement provide a description of the system and an itemization of the land, equipment, and water rights sold.

Seller was authorized to acquire the water system by Decision No. 53092, dated May 22, 1956, in Application No. 37798.

Seller's annual report as of December 31, 1977, gives the original cost of the system as \$844,255.60, with reserves for depreciation of \$221,777.92, for a net book cost of \$622,477.60.

Sale price is \$600,000, terms cash on transfer, adjusted for changes in capital improvements, or losses, between August 1, 1978, and date of closing.

Seller and Purchaser agree that Purchaser will assume all obligations under existing main extension agreements and will pay refunds as they become due.

Seller will retain all deposits to establish credit as they pertain equally to water and electric service. Seller will continue to provide electric service.

District has determined that the public interest and necessity demand the acquisition of the water system by the District. District states that customers will benefit from low cost financing and elimination of taxes and profits resulting from public ownership. Seller acceded to the desires of District.

District will finance the purchase through sale of revenue bonds, which were approved in November, 1978, by a favorable vote of 78% of the voters in the District who voted, and 56% of the total registered voters in the District. Sale of the bonds to Farmers Home Administration will be concluded upon authorization of the sale by this Commission. The date of transfer will then be set, as provided in the Agreement, by mutual consent of Seller and Purchaser on date of closing.

Customers are aware of the proposed sale and have approved it through approval of revenue bonds, as previously noted.

After due consideration, the Commission finds that the proposed sale and transfer will not be adverse to the public interest. The application should be granted. A public hearing is not necessary.

The Utilities Division and the Finance Division have reviewed the application and have no objection to the proposed transfer.

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.

O R D E R

IT IS ORDERED that:

1. On or before September 30, 1979, CP National Corporation may sell and transfer the water system (and other assets) referred to in the application to Weaverville Community Services District, according to the terms and conditions attached to the application.
2. Seller shall retain all customers' deposits for the establishment of credit, as they are equally applicable to Seller's electrical service in the area.
3. As a condition of this grant of authority, Purchaser shall assume all liability for refunds of main extension advances, as itemized on Exhibit B to the application.
4. Within 10 days after the completion of the transfer Seller shall notify the Commission, in writing, of the date of transfer, 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.
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.

6. As a condition of this grant of authority, Purchaser shall not apply different rates, rules, and conditions of service for customers receiving water service outside of the District's boundaries than it applies to customers receiving water service within the boundaries, except to the extent necessary to offset any tax burden or other assessment sustained by the customers within the boundaries which results in a benefit to the customers outside the boundaries.

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

Dated at San Francisco, California, this 27<sup>th</sup> day of MARCH, 1979.

John E. Byrne  
President  
Duane L. Sturgeon

Charles J. DeBrie  
Richard D. Gravello  
Commissioners

Commissioner Richard D. Gravello, being necessarily absent, did not participate in the disposition of this proceeding.