

Decision 93479 SEP 1 1981

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Tokay Water Co., Inc.)
to transfer and Mokelumne Acres)
Maintenance [sic] District to acquire)
a Public Utility Water System.)

Application 60679
(Filed June 24, 1981)

O P I N I O N

This is a joint application of Tokay Water Company, Incorporated (Tokay), to transfer and Mokelumne Acres Maintenance District (Mokelumne), to acquire a public utility water system situated in the County of San Joaquin and serving approximately 66 metered customers. The authority sought is under the Public Utilities Code Section 851.

The territory served by Tokay consists of a subdivision known as KIRST Estates No. 4, located adjacent to the town of Woodbridge. Woodbridge is located approximately two miles northwest of the town of Lodi.

Mokelumne is a maintenance district organized and operating under Division 7 of the California Streets and Highways Code. The territory served consists of some 27 acres and the district presently serves 121 residences.

The property to be conveyed consists of the entire existing water system constructed to serve the subdivision of KIRST Estates No. 4, including source of supply and all other facilities, real property, easements, and related appurtenances.

Applicants assert the transfer is necessary because it is difficult for Tokay to properly maintain the present plant, it is jointly beneficial as it provides the Tokay and Mokelumne systems with improved pressure and reliability, and it is beneficial to Tokay's customers as it results in lower overall water costs.

No purchase price is proposed for the system, the consideration being Tokay's release from its public utility obligations and Mokelumne's undertaking those obligations for the operation of the system by the district.

Tokay Development Company, a limited partnership, has a main extension agreement with Tokay approved by Public Utilities Commission Resolution W-2699, dated September 3, 1980. Tokay Development Company has agreed to cancel that main extension agreement and will contribute all water systems required by Mokelumne as set forth in Exhibit F attached to the application.

Applicants state that they have mailed a copy of this application to the San Joaquin County Board of Supervisors, the San Joaquin County Health District, and the San Joaquin County Council and have posted the application in a conspicuous place within the area served. No protests have been received from customers.

Findings of Fact

1. Public hearing in this matter is not necessary.
2. The transfer of the water system from Tokay to Mokelumne is in the public interest.
3. The parties agree that there be no purchase price for this system, the consideration being Tokay's release from its public utility obligation and Mokelumne's undertaking the obligation to operate the system.

4. Tokay Development Company, a limited partnership, has agreed to cancel its main extension agreement with Tokay, approved by Commission Resolution W-2699 dated September 3, 1980, and Tokay Development Company will contribute all water systems required by Mokelumne as more fully set forth in Exhibit F of the application.

Conclusions of Law

1. Tokay should be released from its public utility obligation and Mokelumne should undertake that obligation.

2. The main extension agreement between Tokay Development Company and Tokay, approved by Commission Resolution W-2699 dated September 3, 1980, should be canceled.

O R D E R

IT IS ORDERED that:

1. On or before June 30, 1982, Tokay Water Company, Inc. (Tokay) may transfer the water system referred to in the application to Mokelumne Acres Maintenance District, according to the terms in the application.

2. On or before the date of transfer, seller shall refund any customer credit deposits which are subject to refund.

3. Within 10 days after transfer, seller shall advise the Commission in writing of the dates of transfer and of deposit refunds, and date when buyer began operating the water system. A copy of the transfer documents shall be attached.

4. Upon compliance with this order, seller shall be relieved of its public utility obligation to the transferred system.

5. The main extension agreement between Tokay Development Company and Tokay, approved by Commission Resolution W-2699 dated September 3, 1980, is canceled concurrent with the transfer of the water system authorized by the above ordering paragraphs.

This order becomes effective 30 days from today.

Dated SEP 1 1981, at San Francisco, California.

John E. Dwyer
President
Michael W. Crowley
Edward W. Dwyer
Robert C. Dwyer
Presulla C. Dwyer
Commissioners