

Decision No. 31909

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application
of A. H. UPTON For Permission to
Sell Public Utility Property.

Application No. 22628.

Edgar H. Rowe, for A. H. Upton.
George H. Harlan, for Arenal Water Company.

BY THE COMMISSION:

O P I N I O N

This is an application for an order of the Railroad Commission authorizing A. H. Upton to transfer to Arenal Water Company, a corporation, certain public utility water properties located at Stinson Beach, Marin County.

A public hearing in this matter was held before Examiner MacKall at Stinson Beach on March 31, 1939.

The record shows that the Commission granted A. H. Upton a certificate of public convenience and necessity to operate a public utility water system in the Stinson Beach area in its Decision No. 25330, dated November 7, 1932. Water is obtained from a well located near the beach and is thereafter distributed to forty-five consumers who are dependent upon the system for a domestic supply of water. It appears that the water produced from the well is unsatisfactory to the consumers and that the distribution facilities are depreciated and inadequate to provide the service demanded. The testimony shows that the present owner is unable to make improvements and to provide a different source of supply.

In order to provide a better quality of water some of the consumers have formed the Arenal Water Company, a corporation, and have made arrangements to purchase a tract of land on which is located a spring that has a proven water supply of good quality and to acquire the present distribution system belonging to Mr. Upton. It is proposed to install a tank at the spring to increase the storage capacity and a transmission line to convey the water to the distribution system. Mr. Upton will retain the ownership of the well and storage tank used in providing water service as these facilities will not be required by the Arenal Water Company.

The agreement covering the proposed transfer provides that Mr. Upton may continue in possession of the water system and operate it until the new corporation is able to install its proposed production, storage and transmission facilities, but in no event later than September 1, 1939. In view of the fact that the water bills are payable annually the agreement further provides for the allocation of revenues for service rendered prior to March 1, 1940. Such revenue as is allocated to Mr. Upton represents the only consideration he receives for his properties.

The plan of the acquisition of the Upton Water Company together with the proposed construction of additions to the system and the financing of these operations are set out more fully in the Commission's decision in Application No. 22594.

No protest was made at the hearing to the transfer of the properties herein involved and as the conveyance materially improves the water supply and service conditions in the area served, the authority requested will be granted.

O R D E R

A. H. Upton having applied to the Railroad Commission for an order authorizing the transfer of certain water distribu-

tion properties to Arenal Water Company, a corporation, a public hearing having been held thereon and the Commission now being fully advised in the premises,

IT IS HEREBY ORDERED that A. H. Upton be and he is hereby authorized to transfer on or before September 1, 1939, to Arenal Water Company, a corporation, the certificate of public convenience, franchises and properties described in the sales contract attached to the application and by reference made a part hereof.

IT IS HEREBY FURTHER ORDERED that upon the transfer of said properties, A. H. Upton be and he is hereby relieved of the obligation to operate the said properties or the properties retained as a public utility water system.

IT IS HEREBY FURTHER ORDERED that within thirty (30) days after the transfer of said properties, Arenal Water Company shall file with the Railroad Commission a statement showing the exact date on which it took possession and commenced operating the properties acquired from A. H. Upton and also file a certified copy of the deed of conveyance.

The effective date of this Order shall be twenty (20) days from the date hereof.

Dated at San Francisco, California, this 11th day of April, 1939.

Robert A. ...
Francis H. ...
...
Justin J. ...
Commissioners.