

Decision No. 39350

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application of Shade Combs and William Riley Combs to sell, and for C. A. MacDonald and Mildred D. MacDonald to purchase the system and business of the GARDEN ACRES WATER COMPANY, a public utility.

Application No. 27751

OPINION AND ORDER

By Decision No. 36186, dated February 23, 1943, in application No. 25250, the Commission granted Marshall Gibson and Ethel Gibson, husband and wife, a certificate of public convenience and necessity to operate a public utility water system in two adjacent subdivisions known as Rexland Acres and Garden Acres, about four miles south of the City of Bakersfield, on Highway 99. It also fixed the rates for public utility water service.

By Decision No. 36957, dated March 28, 1944, in Application No. 26030, the Commission authorized said Marshall Gibson and Ethel Gibson to sell their public utility water properties to Shade Combs and William Riley Combs. The latter, as partners, have been operating the water properties under the name of Garden Acres Water Company. They now ask permission to sell said water properties to C. A. MacDonald and Mildred D. MacDonald, husband and wife, for \$6,000, payable in cash upon the transfer being authorized by the Railroad Commission. Sellers find that the public utility water business is too small to be carried on at

an advantage to them in connection with other businesses operated by them.

The investment in the water properties is by applicants reported at \$7,254.51. They further report accrued depreciation in the amount of \$2,462.42, leaving a net cost of \$5,392.09. The water system supplies water to about 130 consumers. For 1945 the operating revenues are reported at \$3,035.61, and for 1944 at \$2,951.65.

A description of the water properties is contained in the deed and in the bill of sale filed in this application as Exhibits "A" and "B", respectively.

The certificate of public convenience and necessity authorized to be transferred herein is subject to the provisions of law, that the Commission shall have no power to authorize the capitalization of the certificate of public convenience and necessity or the right to own, operate or enjoy such certificate of public convenience and necessity in excess of the amount (exclusive of any tax or annual charge) actually paid to the State as the consideration for the issuance of such certificate of public convenience and necessity or right.

The action taken herein shall not be construed to be a finding of value for any purpose other than the proceeding herein involved.

The Commission has considered applicants' request and is of the opinion that this is not a matter on which a hearing is necessary, and that this application should be granted, subject to

the provisions of this opinion and order, therefore,

IT IS HEREBY ORDERED as follows:

1. Shade Combs and William Riley Combs, partners and owners of Garden Acres Water Company properties may, on or before October 31, 1946, sell said properties, more particularly described in Exhibits "A" and "B", respectively, for \$6,000, to C. A. MacDonald and Mildred D. MacDonald, husband and wife, who may acquire and operate said properties.

2. C. A. MacDonald and Mildred D. MacDonald, husband and wife, shall file with the Commission, on or before October 31, 1946, four (4) copies of rates, rules and regulations for service in said area, which rates shall not be higher in any particular than the applicable rates now on file with the Commission.

3. Upon compliance with the following conditions, said Shade Combs and said William Riley Combs are relieved of all public utility obligations and liabilities in connection with said water system:

- a) They shall file a written statement, on or before October 31, 1946, indicating the date on which they relinquished control and possession of said properties:
- b) They shall file with the Commission a statement showing that all deposits which customers are entitled to have refunded on or before the date of the actual transfer of said properties, under their filed rates, rules and regulations, have been refunded, or a statement showing that no such deposits existed.

4. The authority herein granted is effective upon the date hereof.

Dated at Los Angeles, California, this 27th day of
August, 1946.

Harold Hills
Justus F. Osceola
William C. Clark
Leslie A. Russell
R. J. Anderson
Commissioners