

Decision No. 40428

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 FRESNO SUBURBAN WATER SERVICE COMPANY,
 a California Corporation, and JACK
 SOLLIS, WARREN SOLLIS, his wife, and
 JAMES W. VAUGHN for an Order Authorizing
 Sale of Highway City Water System.

ORIGINAL

Application No. 27937

OPINION AND ORDER

Fresno Suburban Water Service Company, a corporation engaged in the business of distributing and selling water for domestic and commercial purposes in the unincorporated communities of Highway City and Figarden, Fresno County, asks the Commission for authority to sell the Highway City Water System to Jack Sollis and Warren Sollis, his wife, and James W. Vaughn who join in the application.

Applicant Fresno Suburban Water Service Company was granted a certificate of public convenience and necessity to operate a public utility water system at Highway City, Figarden, and Beverly Park, Fresno County, by the Commission in its Decision No. 35895, issued October 27, 1942. Highway City is located on Highway 99 approximately seven miles northwesterly of Fresno and is about two and one-half miles distant from Figarden, where the company maintains its office. Jack Sollis, Warren Sollis, his wife, and James W. Vaughn are apparently capable of properly operating this water system. Mrs. Sollis will keep the records and manage the office. Applicants believe that the system will be operated more efficiently by the purchasers who reside in Highway City, and also with greater convenience to the water users.

The cost of the property to be transferred is reported at approximately \$12,000. The operating revenues and operating expenses for the year 1946 were \$2,861 and \$1,860, respectively. There were 171 customers being served at the end of the year, all on a flat rate basis.

A copy of the agreement of sale is on file in this application as Exhibit II. It contains a description of the properties to be sold and obligates the purchasers to pay \$8,000 for the properties. They agree to pay \$5,000 when the transfer of the properties is authorized by the Commission and to deliver to the company their 5% note for \$3,000, the principal and interest being payable in monthly installments of \$100 or more. The payment of the note will be secured by a deed of trust and by a mortgage of chattels.

A copy of the proposed note has been filed in this application as Exhibit III, a copy of the proposed deed of trust as Exhibit IV, and a copy of the mortgage of chattels as Exhibit V.

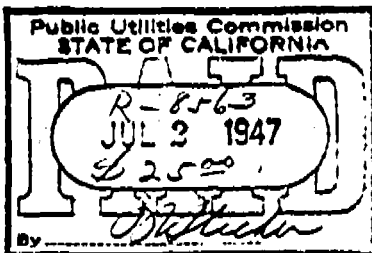
The Commission has considered this application, and is of the opinion that it is not a matter in which a public hearing is necessary, and that the application should be granted, as herein provided. The Commission is of the opinion that the money, property, or labor to be procured or paid for through the issue of the note is reasonably required by the buyers for the purpose specified herein, which purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income, now therefore,

IT IS HEREBY ORDERED as follows:

1. That Fresno Suburban Water Service Company, a corporation, after the effective date of this Order and on or before September 30, 1947 may sell and transfer the water system referred to herein, to Jack Sollis, Warren Sollis, his wife, and James W. Vaughn; and Jack Sollis, Warren Sollis, his wife, and James W. Vaughn may acquire said system; such sale and transfer to be in accordance with the terms and conditions of the agreement attached to the application and marked Exhibit II.
2. Jack Sollis, Warren Sollis, his wife, and James W. Vaughn, after the effective date hereof and on or before September 30, 1947 may issue their note for \$3,000 in part payment for said properties and execute a deed of trust and a mortgage of chattels in, or substantially in, the same form as that attached to the application as Exhibits III, IV, and V, for the purpose of securing the payment of said note.
3. If Jack Sollis, Warren Sollis, his wife, and James W. Vaughn, acquire said system they shall file with the Commission, to be effective upon the date they acquire said system, four copies of the schedule of rates for water service furnished by said system, which rates shall not be higher in any particular than the applicable rates now on file.

4. That Jack Sollis, Warren Sollis, his wife, and James W. Vaughn, within sixty (60) days from the date of this Order, shall submit to this Commission for its approval four sets of rules and regulations governing relations with their consumers, each set of which shall contain a suitable map or sketch, drawn to an indicated scale upon a sheet 8½ x 11 inches in size, delineating thereupon in distinctive markings the boundaries of their present service area and the location thereof with reference to the immediate surrounding territory; provided, however, that such map or sketch shall not thereby be considered by this Commission or any other public body as a final or conclusive determination or establishment of the dedicated area of service or any portion thereof.
5. That Jack Sollis, Warren Sollis, his wife, and James W. Vaughn, within sixty (60) days from the date of this Order, shall file with this Commission four copies of a comprehensive map, drawn to an indicated scale of not less than 600 feet to the inch, upon which shall be delineated by appropriate markings the territory presently to be served. This map should be reasonably accurate, show the source and date thereof, and include sufficient data to determine clearly and definitely the location of the property comprising the entire utility area of service; provided, however, that such map shall not thereby be considered by this Commission or any other public body as a final or conclusive determination or establishment of the dedicated area of service or any portion thereof.
6. The authority herein granted to issue a note will become effective when Jack Sollis, Warren Sollis, his wife, and James W. Vaughn, or any of them, have paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is twenty-five dollars (\$25).
7. Fresno Suburban Water Service Company, a corporation, shall file with the Commission, within fifteen (15) days after the transfer of said system, a certified copy of each instrument executed to convey said system to Jack Sollis, Warren Sollis, his wife, and James W. Vaughn, and a statement indicating the exact date upon which it relinquished possession of said system.
8. Jack Sollis, Warren Sollis, his wife, and James W. Vaughn shall file with this Commission within fifteen (15) days after the transfer of said water properties, a copy of the note, a copy of the deed of trust, and a copy of the mortgage of chattels, executed under the authority herein granted.
9. The action taken herein shall not be construed to be a finding of value of the properties herein authorized to be transferred.

Dated at San Francisco, California, this 24th day of June, 1947.



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Commissioners.