

Decision No. 41909

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application of)
G. O. SOUDER to sell and JULIA E.)
WILSON to buy a public utility water)
system at Earlimart, Tulare County,)
California, known as SOUDER WATER)
COMPANY.)
-----)

Application
No. 29525

OPINION AND ORDER

G. O. Souder, who owns and operates a water system under the name and style of Souder Water Company, in Tracts No. 35, No. 58, and No. 120 of Earlimart Townsite, as recorded in the office of the Recorder of Tulare County, asks the Commission for permission to sell his public utility water system for a total consideration of Fifteen Thousand Dollars (\$15,000) to Julia E. Wilson, who owns and operates a public utility water system serving areas adjacent to said Tracts No. 35, No. 58, and No. 120. Of the total purchase price \$3,000 is payable upon the Commission authorizing the sale of the system and \$12,000 will be payable in annual installments over a period of ten years with interest at the rate of 6% per annum on unpaid balances. The deferred payments of \$12,000 will be represented by a note secured by a deed of trust.

The properties and interests to be conveyed include the certificate of public convenience and necessity granted to the seller by the Commission in its Decision No. 40816, dated October 10, 1947; all right, title and interest in and to Souder Water Company, including all of its distributing facilities; and Lot 28 of Tract No. 58, together with the dwelling house, pumping plant and well thereon.

In 1947, the Commission's engineers estimated the original cost of the system as \$15,476, including \$186 in materials and supplies on hand at that time. This estimate was made in connection with Application No. 28592, which was a certificate and rate proceeding. The operating revenues for 1947 are reported as \$1,430.50, and the operating expenses as \$1,708, making a loss of \$277.50 for the year. Substituting the 5% sinking fund annuity of \$199.10, estimated by the Commission's engineers in connection with said Application No. 28592, for the recorded depreciation of \$950 in 1947 gives a net revenue of \$473.40 for the year. At the end of the year, the system was supplying 65 domestic consumers at flat rates.

It appears that this is not a matter in which a public hearing is necessary and that the application should be granted subject to the provisions of this Order.

The action taken herein shall not be construed to be a finding of the value of the property or properties herein authorized to be transferred.

The certificate of public convenience and necessity authorized to be transferred herein is subject to the following provision of law:

"That the Commission shall have no power to authorize the capitalization of this 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."

Application having been made for a transfer of public utility properties, and the Commission having considered the

matter, and being advised in the premises,

IT IS HEREBY ORDERED AS FOLLOWS:

1. G. O. Souder, operating under the name and style of Souder Water Company, may, on or before November 1, 1948, sell and transfer to Julia E. Wilson, the properties referred to herein and described in the deed and bill of sale; a copy of which is attached to the application herein and which copy is hereby made a part of this Order by reference, such sale and transfer to be substantially in accordance with the terms and conditions of said deed and bill of sale.

2. If said Julia E. Wilson acquire said properties, she shall file four (4) copies of rates for water service, such rates in no respect to be higher than the rates presently on file for such service, and shall adopt the rules and regulations now on file with the Commission.

3. Julia E. Wilson shall file with the Commission within thirty (30) days after the acquisition of the properties under the authority herein granted, a certified copy of the deed of conveyance, and a statement showing the exact date on which she acquired said properties, and showing the amount of consumers' deposits, if any, the seller turned over to her for return to the consumers.

4. Upon compliance with the above Order of the Commission, said G. O. Souder shall be relieved of all public utility obligations and liabilities in connection with said system.

5. Julia E. Wilson, after the effective date hereof and on or before November 1, 1948, may issue, in part payment

for said water system, a note in the principal amount of \$12,000 and may execute a deed of trust, said note and said deed of trust, to be in, or substantially in, the same form as those filed in this proceeding as Exhibit "A" and Exhibit "B", respectively, it being the opinion of the Commission that the money, property or labor to be procured or paid for through such issue is reasonably required for the purpose specified herein and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income.

6. Julia E. Wilson shall file with the Commission a report of the issue of said note within thirty (30) days after such issue.

The authority herein granted will become effective when Julia E. Wilson has paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which fee is Twenty-five (\$25.00) dollars.

Dated at San Francisco, California, this 27 day of July, 1948.

R. J. [Signature]
Justice J. Callahan
[Signature]
[Signature]

Commissioners

