

**ORIGINAL**Decision No. 42516

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application  
of RICHARD S. OTTO to abandon  
public utility water service  
operation.

Application No. 28998  
1st Supplemental

FIRST SUPPLEMENTAL OPINION

By Decision No. 42537, issued February 23, 1949, following a further hearing on applicant's petition to discontinue public utility water service at Baywood Park Estates Subdivision, San Luis Obispo County, the Commission directed Otto to file a supplemental application to transfer his water system to a mutual association or other entity, should one be formed, ready, able and willing to accept title to and operate the system.

The first supplemental application herein alleges that there has been duly formed in San Luis Obispo County, pursuant to resolution of its Board of Supervisors adopted June 6, 1949, and a subsequent election held July 12, 1949, a county waterworks district, known as "San Luis Obispo County Waterworks District No. 9", for the express purpose of acquiring and operating a water supply system in the area concerned for members of the public who desire to use such service.

The County of San Luis Obispo, by John Ruskovich, as chairman of its Board of Supervisors, has joined with Otto in requesting that the Commission authorize the sale and transfer to it of the utility properties for \$1, pursuant to an agreement, deed and bill of sale, copies of which are attached to the application. The properties to be transferred consist of a well, well site and pumping plant situated on the following described real property including the right to produce water therefrom:

The South one-half ( $\frac{1}{2}$ ) of Lot 2, Block 67, as shown on Woods' Revised Map of El Moro, which Map was filed of record in the Office of the County Recorder of said County of San Luis Obispo on February 11, 1901,

together with all rights of way and easements owned by Otto and used by him in the operation of his public utility water business in Baywood Park. Also included in the transaction are all transmission, distribution and service lines and connections located on public streets or county roads in Baywood Park and used in providing the service; one 15 hp three-phase 440 volt 3,450 rpm electric motor with electric switches and operating controls, and one 3,450 rpm Weiman two-stage pump, base and couplings. Otto's operating authority and the good will of his utility business are also included in the proposed transfer.

We have heretofore reached the conclusion that Otto should be permitted eventually to discontinue public utility water service, but we withheld our authorization therefor to permit completion of arrangements designed to assure continuous water service to his customers. Those arrangements have now progressed to the point where a county waterworks district is ready to take over Otto's properties and operate them for the purpose of supplying water to customers in an area which includes that now served by him.

We find the proposed transfer to be consistent with the public interest and it will accordingly be authorized. Upon completion thereof, Otto will be permitted to discontinue public utility water service operations. A public hearing will not be necessary.

O R D E R

Application having been filed therefor, the Commission now being fully advised and basing its order upon the findings and conclusions contained in the foregoing opinion,

IT IS HEREBY ORDERED:

1. That Richard S. Otto, on or before February 1, 1950, may sell and transfer to the County of San Luis Obispo, State of California, the public utility water system and properties more particularly described in the agreement, deed and bill of sale attached to the First Supplemental Application herein as Exhibit "A" thereof.
2. That, within thirty (30) days following the actual date of such transfer, Richard S. Otto shall file with the Commission a true copy of the agreement, deed and bill of sale, or other instrument evidencing said transfer.
3. That, on or before the date of actual transfer of said system, Richard S. Otto shall refund all deposits which consumers are entitled to have refunded, under the utility's filed rates, rules and regulations, and shall file a written statement, on or before February 1, 1950, showing disposition of any such deposits, or that no deposits existed.
4. That, upon compliance with the above order of the Commission, Richard S. Otto shall be relieved of all public utility obligations and liabilities in connection with said system.

The effective date of this order shall be twenty (20) days after the date hereof.

Dated at San Francisco, California, this 7<sup>th</sup> day of November, 1949.

*R. F. [Signature]*  
*Justus F. [Signature]*  
*[Signature]*  
*[Signature]*  
*[Signature]*  
 Commissioners.