

**ORIGINAL**

Decision No. 43713

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )

HOOVER E. LONG and EVA A. LONG, )  
as sellers, and )

DEL ESTE WATER COMPANY, a cor- )  
poration, as purchaser, )

Application  
No. 30891

for an order authorizing the sale and )  
purchase of public utility production )  
and distribution property and facilities. )  
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O P I N I O N

This is an application for an order of the Commission authorizing Hoover E. Long and Eva A. Long, his wife, hereinafter referred to as sellers, to sell a public utility water system to Del Este Water Company, a corporation.

Sellers own and operate a public utility water system supplying water to approximately 30 consumers in the Sunrise Homes Tract near Modesto. They purchased such system on or about October 1, 1949, from one Maynard Smith, pursuant to the authority granted by Decision No. 43333, dated September 27, 1949, in Application No. 30618, for the sum of \$5,800 and since acquisition, according to the present application, they expended \$2,370 to install 1,500 feet of 4-inch mains, bringing their total investment up to \$8,170. Their revenues for the last three months of 1949 are reported at \$257.70 and their net income at \$164.20. Applicants estimate the present value of the water system at \$8,675.

The application shows that sellers purchased the water system for the purpose of assuring a water supply for domestic and other purposes to an area owned by them and adjoining the area covered by the certificate of public convenience and necessity acquired under the authority granted by said Decision No. 43333. Sellers have concluded that the area can be served adequately by Del Este Water Company, which is operating a public utility water business of considerable extent in the County of Stanislaus near the area now served by them. Accordingly, they have made arrangements to sell their water system to the corporation for the sum of \$8,675 payable in cash.

Del Este Water Company has been engaged in the water business since 1938. In financial statements attached to the present application, it reports its investment in fixed capital as of October 31, 1949, at \$628,202.70 and its cash and current assets at \$58,042.10, making a total of \$686,244.80. For 1949, up to October 31, it reports its operating revenues at \$107,183.40 and its net income at \$15,438.07.

A review of the application indicates that Del Este Water Company is in a position to operate and maintain said water system, and that the sale of said water system to Del Este Water Company is not contrary to the public interest.

O R D E R

The Public Utilities Commission having considered the above entitled matter and being of the opinion that a public hearing thereon is not necessary, and that the application should be granted,

as herein provided; therefore,

IT IS HEREBY ORDERED as follows:

1. Hoover E. Long and Eva A. Long, his wife, after the effective date hereof and on or before March 31, 1950, may sell and transfer to Del Este Water Company, for the sum of \$8,675, the certificate of public convenience and necessity acquired by them pursuant to the authority granted by Decision No. 43333, dated September 27, 1949, and the public utility water system referred to in this application.
2. Hoover E. Long and Eva A. Long, his wife, shall file with the Commission within thirty (30) days after the sale and transfer of said water system under the authority herein granted, a copy of the deed and assignment conveying the title to said water system to Del Este Water Company, and a statement indicating the date upon which they relinquished control and possession of said system.
3. Hoover E. Long and Eva A. Long, his wife, on or before the date of the sale and transfer of said water system, shall refund all deposits which customers are entitled to have refunded and shall file with the Commission a written statement showing the amount of deposits, if any, refunded, and the amount, if any, of unrefunded deposits. The obligation to pay unrefunded deposits, if any, shall be assumed by Del Este Water Company.
4. The rates, rules and regulations of Hoover E. Long and Eva A. Long, his wife, now legally on file with the Commission, shall be refiled within thirty (30) days after the date of the

transfer of the said properties under the name of Del Este Water Company, in accordance with the procedure prescribed by General Order No. 96, or, in lieu of such refiling, Del Este Water Company may file a notice of adoption of said presently filed rates, rules and regulations. No increase in the presently filed rates, rules and regulations shall be made unless properly authorized by this Commission.

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

6. The authority herein granted will become effective twenty (20) days after the date hereof.

Dated at San Francisco, California, this 17<sup>th</sup> day of January, 1950.

R. E. Dinniman  
Justice J. G. Galloway  
Wm. H. F. Jones, Jr.  
Harold F. Kula  
Penelope J. Foster  
Commissioners