

Decision No. 44529**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the application
for the Sale of KERMAN WATER COMPANY,
a California Corporation, to the
CITY OF KERMAN, a Municipal Corporation
of the Sixth Class.

Application No. 31538.

OPINION AND ORDER

Kerman Water Company, a California corporation, engaged in the business of distributing and selling water for domestic purposes in and in the vicinity of the incorporated City of Kerman, Fresno County by application filed June 28, 1950, asks the Commission for authority to sell its water system to the City of Kerman, which joins in the application.

The application states that citizens of the City of Kerman voted in favor of acquiring all of the water production and distribution facilities of the corporation together with all right of way and easements, and including Lots 2 and 3 in Block 20 of the City of Kerman. The agreed consideration for the sale of the system is the sum of \$19,557.99. R2.2m

In its 1949 annual report to the Commission the applicant shows the fixed capital of its system in service as of December 31, 1949 at \$28,877.24 with service to 380 consumers at the end of the year. The report also shows the operating revenues were \$7,818.36 and the operating expenses, including taxes and depreciation, were \$8,033.55, representing a net operating loss of \$215.19 for the year.

The applicant desired the City of Kerman to take over the operation of said properties as of the 1st day of July, 1950, which is the commencement of the municipality's fiscal year. In order that the

City of Kerman may take over and operate the system at as early a date as possible, it is hereby found that public convenience and necessity require that the effective date of this order be the date hereof.

The Commission having considered the above-entitled application and being of the opinion that a public hearing is not necessary, that the proposed transfer will not be adverse to the public interest, and that the request of applicant should be granted, as herein provided, now, therefore,

IT IS HEREBY ORDERED AS FOLLOWS:

1. That Kerman Water Company, a corporation, after the effective date hereof and on or before July 31, 1950, may sell its water system to the City of Kerman, a municipal corporation.
2. That Kerman Water Company, on or before the date of the actual sale of the water system under the authority herein granted, shall refund all deposits, if any, which customers are entitled to have refunded.
3. That Kerman Water Company, within thirty (30) days after the date of the sale authorized herein, shall file with this Commission a certified copy of the final instrument of conveyance and also a written statement indicating the date on which control and possession of said water system were relinquished.
4. That Kerman Water Company, within thirty (30) days after the date of the sale of the water system under the authority herein granted, shall notify the Commission in writing of the completion of such sale, and of its compliance with the terms of this order.
5. That upon compliance with the above paragraphs 2, 3, and 4 of this order of the Commission, said Kerman Water Company shall be relieved of all public utility obligations and liabilities in connection with said system.

6. That the action taken herein shall not be construed to be a finding of the value of the water system herein authorized to be sold.

This order will become effective on the date hereof.

Dated at San Francisco, California, this 11th day of

July, 1950.

R. E. Anderson
Justice J. Calles
Earl L. Lowell
Harold Huls
Kenneth Potts
Commissioners.