

Decision No. 44650

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 B. F. Strock, doing business as
 BEN ALI WATER COMPANY, for an order
 authorizing the sale of said water
 company to Jere Strizek, County of
 Sacramento.

Application No. 31541

O P I N I O N

B. F. Strock, a widow, doing business as Ben Ali Water Company, and engaged in distributing and selling water for domestic and commercial purposes in an unincorporated territory located about 2 miles east of the City of North Sacramento, Sacramento County, asks the Commission for authority to sell and transfer the water system and certificates of public convenience and necessity to Jere Strizek, who joins in the application.

A public hearing was held in this matter before Examiner MacKall on August 1, 1950, at Sacramento.

The territory served by this system has an area of 8 square miles and is covered by certificates granted by the Commission in its Decisions Nos. 31940, 35121, and 39425, issued February 14, 1939, March 10, 1942, and September 24, 1946, respectively.

The water supply is obtained from 11 wells and is distributed to consumers through pressure tanks. There were 203,387 feet of distribution mains in size varying from 1 to 8 inches in diameter, on May 31, 1950. Water service is now being furnished to 2,092 consumers mainly at flat rates.

The estimated original cost of the system is reported at \$385,849, as of May 31, 1950, and the reserve for depreciation at \$25,040. Outstanding loans and subdivision agreements total \$177,606.

The operating revenues and operating expenses for the year 1949 were \$50,563 and \$32,447, respectively, resulting in a net revenue of \$18,115.

Applicant Jere Strizek is a builder, contractor, and subdivision developer, operating within the territory served by the water system. He desires to operate the water system in connection with his other activities.

The sales agreement provides for a purchase price of \$125,000 of which \$75,000 is payable in cash when the transfer of properties is authorized by this Commission, and the remaining \$50,000 is payable in 10 annual cash payments in 10 successive years, plus accrued interest paid annually at the rate of five (5) per cent per annum on all unpaid balances. The \$50,000 will be represented by a promissory note payable to the order of Mrs. B. F. Strock. The purchaser agrees to assume payment of all consumer deposits, refunds, and payments on main extensions when due, and the actual costs of all non-refundable additions to capital made between February 28, 1950, and the closing date, provided that said total additional costs shall not exceed \$20,000.

No objection or protest was made against the sale and transfer of this water system. From the record it appears that this transfer is in the best interests of the public and that the authority requested should be granted.

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

O R D E R

The above-entitled application to sell public utility property having been filed with this Commission, a public hearing having been held, the matter having been submitted, and now being ready for

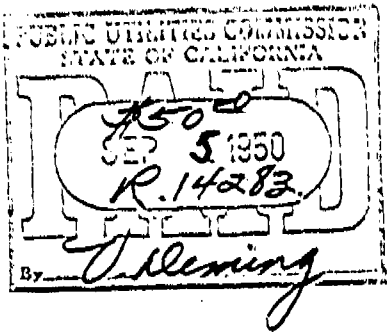
decision, and it appearing to the Commission that the proposed transfer will not be adverse to the public interest, therefore,

IT IS HEREBY ORDERED as follows:

1. B. F. Strock, after the effective date hereof and on or before November 1, 1950, may transfer to Jere Strizek the water properties referred to herein as Ben Ali Water Company and more particularly described in Exhibit F on file in this application, together with the certificates of public convenience and necessity heretofore granted by this Commission for the operation of this utility in its Decisions Nos. 31940, 35121, and 39425, issued February 14, 1939, March 10, 1942, and September 24, 1946, respectively.
2. Jere Strizek, after the effective date hereof and on or before November 1, 1950, may execute a promissory note for \$50,000, which note shall be payable in annual installments of \$5,000 each, plus 5% interest on the unpaid balance, in part payment for said properties, 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 indicated and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income.
3. B. F. Strock shall file with the Commission, on or before November 1, 1950, a certified copy of each instrument executed to convey said water works to Jere Strizek, and a statement indicating the date on which she relinquished control and possession of said properties.
4. Jere Strizek shall, within thirty (30) days from the date of transfer, file a notice of adoption of presently filed rates, rules and regulations of B. F. Strock. No increases in the present lawfully filed rates shall be made unless authorized by this Commission.
5. On or before the date of actual transfer, B. F. Strock shall refund all deposits which customers are entitled to have refunded, and any unrefunded deposits shall be transferred to and become the obligation for refund by Jere Strizek.
6. Jere Strizek shall file with the Commission a report of the issue of the note as required by General Order No. 24-A, which order, in so far as applicable, is made a part of this order.

7. The authority herein granted will become effective when Jere Strizek has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is Fifty (\$50.00) Dollars.

✓ Dated at San Francisco, California, this 15th day of August, 1950.



R. E. Anderson
Justice F. Collier
Walter D. Howell
Harold A. Hale
Francis H. Patten
Commissioners.