

ORIGINAL

Decision No. 46710

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of P. J. DIVIZICH and the DUCOR WATER COMPANY for an Order authorizing the transfer of the assets of the present water company in Ducor, County of Tulare, State of California, from P. J. DIVIZICH to DUCOR WATER COMPANY	} } } } } } }	Application No. 32930
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O P I N I O N

By Decision No. 44544, issued July 18, 1950, in Application No. 30983, the Commission authorized P. J. Divizich to increase his water service rates in the town of Ducor, Tulare County, and denied without prejudice his request to discontinue public utility water service pending formation of either a public or mutual organization of water users in the area. The proceeding was kept open for such further action as the Commission might deem appropriate<sup>1/</sup>.

By the present application, Divizich requests authority to transfer the water system, without cost, to the Ducor Water Company, a mutual water company, which joins in the application.

<sup>1/</sup> The history of this system is related in some detail in other prior decisions: Dec. No. 42042, Case No. 4884; Dec. No. 43045, Cases Nos. 4884, 5002. There are approximately 40 domestic and commercial consumers on the system.

The properties to be included in the transfer are described below<sup>2/</sup>. Divizich has undertaken to continue to furnish water from his own well to the Ducor Water Company for \$100 per month until April 1, 1952, by which time, presumably, the mutual company will have installed its own source of supply. Problems connected with financing the project and securing necessary materials, however, may require continued use of the present well for a longer period.

The Ducor Water Company was incorporated in 1948 by Divizich and eight other residents of Ducor for the purpose of developing and distributing water to its shareholders at cost. A copy of its articles of incorporation, as amended in 1951, is attached to the application. In general, provision is made for the issuance of not to exceed 2,000 shares of \$30 par value stock to owners of land in the South Half of Section 27 and the North Half of Section 34, Township 23 South, Range 27 East, M.D.B.& M., in Tulare County. One share is authorized for each lot of 3,750 square feet or fraction thereof, said share to be appurtenant to the lot. Each share entitles the holder thereof to one vote, except that no landowner may cast more than 100 votes at any

2/ Lands

Lots 19 to 26, Block 1, Town of Ducor, County of Tulare, State of California.

Transmission and Distribution Mains

2,230' 5" w. st. pipe  
 360' 4" s.s. galv. pipe  
 440' 3" s.s. blk. pipe  
 7,080' 2" s.s. galv. pipe  
 282' 2" s.s. galv. pipe  
 280' 3/4" s.s. galv. pipe  
 70' 3/4" s.s. galv. pipe

Distribution Tanks

6,000-gallon galv. iron tank on 60' steel tower.

Services

43 - 3/4" s.s. galv. pipe

election. The company alleges that it has applied to the Commissioner of Corporations for a permit to sell its stock in order to finance the repair and improvement of the water system.

The proposed transfer appears to offer a feasible solution to the problem faced by Divizich and the water users since 1947, when the town well dried up and Divizich connected his own well, originally installed to supply his farming and refrigeration operations, to the town's distribution system. We accordingly find that such transfer will not be adverse to the public interest. The order to follow will authorize the parties to consummate the transfer on or before June 2, 1952, in order to permit necessary arrangements for securing a new source of water supply and the integration of the storage and distribution system therewith.

We note that while the 6,000-gallon storage tank is included among the items to be transferred, the tank site is not. To the extent that the tank may be in use at its present site after completion of the transfer, the parties should consider the desirability of securing or otherwise making available necessary rights of way for access to and from the tank and its connected pipe lines.

Upon receipt of advice from Divizich to the effect that the transfer has been completed and that the actual operations of the system have been assumed by the mutual water company, the Commission will enter a supplemental order in Application No. 30983 authorizing P. J. Divizich to discontinue public utility water service operations in the town of Ducor and relieving him from further obligations in that connection.

The action taken herein shall not be construed to be a finding of the value of the properties herein authorized to be transferred. A public hearing is not deemed necessary.

O R D E R

Application having been made by P. J. Divizich and the Ducor Water Company for authority to transfer a water system located in the town of Ducor, Tulare County, California, said application having been considered, the Commission now being fully advised and basing its order upon the findings and conclusions contained in the foregoing opinion,

IT IS ORDERED that P. J. Divizich may, on or after the effective date hereof and on or before June 2, 1952, transfer to the Ducor Water Company, a corporation, those certain properties more particularly described in the application on file herein and in the preceding opinion, subject to the following conditions:

1. P. J. Divizich shall, within thirty (30) days after the effective date of the transfer herein authorized, notify the Commission in writing of the completion thereof.
2. P. J. Divizich, on or before the date of actual transfer, 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 of Ducor Water Company, a corporation.

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

Dated at San Francisco, California, this 5<sup>th</sup> day of February, 1952.

A. J. [Signature]  
President.

Justice F. Casanova  
Harold K. Kula

[Signature]  
[Signature]  
Commissioners.