

Decision No. 47189

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

IN THE MATTER OF THE APPLICATION OF)
EUGENE O. CONTERNO JR. AND HELEN)
CONTERNO, doing business as the)
PLYMOUTH WATER WORKS in the area)
known as the City of Plymouth,)
for Authority to Lease the Plymouth)
Water Works to the City of)
Plymouth.)

Application No. 33427

O P I N I O N

Eugene O. Conterno, Jr. and Helen Conterno, applicants herein, are engaged in supplying water, as a public utility, for domestic and fire protection purposes in the City of Plymouth and adjacent territory. They request authority to carry out a lease agreement with the City of Plymouth, dated May 15, 1952, which provides, in substance, that the city will lease the water system and pay for the use thereof, out of revenues from water sales, the sum of \$20,000 at the rate of \$200 per month commencing June 1, 1952, with interest on deferred payments at the rate of 6% per annum, payable monthly. The parties, in the agreement, have indicated their understanding that the making of the contract does not constitute an obligation on the part of the city beyond any current fiscal year. The city, by its mayor, joins in the application.

The agreement purports to embrace all used and useful property of the water system in or near the City of Plymouth which is currently employed in supplying water to 146 metered customers and fire protection service, through 51 hydrants, to the City of Plymouth, the Plymouth Grammar School and the Twenty-Sixth District Agricultural Association.

The city agrees to operate and maintain the system, to pay all taxes and insurance premiums, and to deliver the properties to the Conternos at the expiration of the term. No term is specified other than the provision for monthly payments. The agreement also provides that, upon its execution, the Conternos will transfer title to the properties to the city in trust, with "final title" to be conferred upon completion of payments and fulfillment of other contractual conditions by the city.

Applicants allege that they purchased the properties for \$12,000, that the historical cost of said properties on June 1, 1944, as reflected in a Commission report dated July 3, 1944, was \$23,953.12, and that their present capital investment in the system amounts to \$22,725.

Applicants state that they have moved from Plymouth because the system is too small to provide a livelihood in the absence of other employment, more readily obtainable elsewhere, and that the city believes it can provide better water service at less cost to consumers than is possible under present conditions.

Upon full consideration of the application we find that the proposed transfer is not adverse to the public interest and it will, therefore, be authorized. The authority herein granted will become effective on the date of the order to follow, since the parties contemplate that payments by the city will commence on June 1, 1952, and it does not appear that the public interest will be adversely affected by such shortening of the effective date of the authorization.

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.

ORDER

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

IT IS ORDERED that Eugene O. Conterno, Jr. and Helen Conterno may, on or after the effective date hereof and on or before July 1, 1952, transfer the properties described in the application herein to the City of Plymouth substantially in accordance with the terms of the agreement annexed to said application, subject, however, to the following conditions:

1. That on or before the date of actual transfer, Eugene O. Conterno, Jr. and Helen Conterno shall refund all deposits which customers are entitled to have refunded; and that any unrefunded deposits shall be transferred to and become the obligation for refund of the City of Plymouth.
2. If the authority herein granted is exercised, applicants shall, within thirty (30) days thereafter, notify this Commission in writing of the date of such completion of the transfer herein authorized and of their compliance with the conditions hereof.

The authority herein granted shall become effective on the date hereof.

Dated at San Francisco, California, this 27th day of May, 1952.

[Signature]

 President.

[Signature]

[Signature]

[Signature]

 Commissioners.