

**ORIGINAL**

Decision No. 48106

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
V. B. BENGSTON and J. E. HOLT, a  
partnership, to purchase and KAVANAGH )  
BUILDING CO., a Joint Venture, to sell )  
the SIERRA VIEW WATER COMPANY. )

Application No. 33524  
(As Amended)

OPINION AND ORDER

In this application filed June 25, 1952, as amended October 31, 1952, Kavanagh Building Co., a California corporation, doing business as the Sierra View Water Company and operating a public utility water system in an area approximately 1 mile north of the City of Modesto, Stanislaus County, California, requests authority of the Commission to sell and transfer operative rights (including the certificate of public convenience and necessity granted by the Commission by Decision No. 44877, dated October 10, 1950), real estate, franchises and equipment of the public utility water system to V. B. Bengston and J. E. Holt, a partnership, who join in the application.

Applicants allege that the reason for the sale is that the businesses of Kavanagh Building Co. have grown and spread in area to such an extent that it is unable to devote sufficient time to the operation of the water company. Applicants also allege that V. B. Bengston and J. E. Holt, a partnership, have for many years been in business in the general area in which the water company is located and are men of sound financial position who are able to guarantee the continuance of first class service to the consumers.

The water system proposed to be transferred procures its water supply from a well, distributes water for residential purposes in the Harte Tract and adjoining territory, the entire service area comprising approximately 1,260 acres, and is now serving some 109 consumers.

The application shows that the cost to the Kavanagh Building Co. of the utility properties was \$13,155 and that the sale price is \$15,500 cash. The original application alleges a sale of the utility operating rights and properties from Kavanagh Building Co., a joint venture, to V. B. Bengston and J. E. Holt, a partnership, on August 17, 1951. Applicants are hereby placed on notice that such sale is void because of being made without the necessary prior authorization of this Commission and because Kavanagh Building Co., a corporation, has never sought and obtained authorization from this Commission to transfer its operating rights and utility properties to Kavanagh Building Co., a joint venture.

The Commission has considered this matter and is of the opinion that a public hearing is not necessary, and that the proposed transfer will not be adverse to the public interest and should be authorized; therefore,

IT IS HEREBY ORDERED as follows:

1. Kavanagh Building Co., a California corporation, doing business as Sierra View Water Company, after the effective date hereof and on or before June 30, 1953, may sell all its public utility operating rights and water properties to V. B. Bengston and J. E. Holt, a partnership, for the sum of \$15,500 cash.
2. The action taken herein shall not be construed to be a finding of the value of the rights and properties herein authorized to be transferred.

3. On or before the date of actual transfer, Kavanagh Building Co., a corporation, shall refund all deposits which customers are entitled to have refunded. Any unrefunded deposits shall be transferred to and become the obligation for refund of V. B. Bengston and J. E. Holt, a partnership.
4. The rates, rules and regulation of Kavanagh Building Co., a corporation, doing business as Sierra View Water Company, now on file with the Commission, shall be refiled within thirty (30) days after the date of transfer under the name of V. B. Bengston and J. E. Holt, a partnership, in accordance with the procedure prescribed by General Order No. 96, or, in lieu of such refileing, V. B. Bengston and J. E. Holt, a partnership, may file a notice of adoption of said presently filed rates, rules and regulation. No increase in the present rates shall be made unless authorized by the Commission.
5. Within thirty (30) days after acquiring the properties under the authority herein granted, V. B. Bengston and J. E. Holt, a partnership, shall file with the Commission a copy of each final instrument executed to convey said public utility water properties and operating rights to V. B. Bengston and J. E. Holt, a partnership, and a statement indicating the date upon which they relinquished control of said properties.

*Kavanagh Building Co., a corporation,*

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

Dated at San Francisco California, this 22<sup>nd</sup> day of December, 1952.

*A. J. [Signature]*  
President.  
*James F. [Signature]*  
*Harold A. [Signature]*  
*Kenneth [Signature]*  
*John E. [Signature]*  
Commissioners.