

ORIGINALDecision No. 48979

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
W. GLENN DUNNING for authority to)	Application No. 34539
sell the Linda Center Water System)	(Amended)
to August Dententer.)	

OPINION AND ORDER

W. Glenn Dunning, doing business as Linda Center Water System, engaged in the business of distributing and selling water for domestic purposes in the vicinity of Marysville, Yuba County, by the above-entitled application filed July 14, 1953, and amended July 30, 1953, asks for authority to sell his water system to August Dententer, who also joins in the application.

The Commission, by its Decision No. 42812, dated April 26, 1949, in Application No. 29972, granted a certificate of public convenience and necessity to the applicant herein to operate a public utility water system in a portion of the Dunning Subdivision located about 2½ miles southeast of Marysville.

The Linda Center Water System, which is presently serving 53 customers, is alleged to be of insufficient size to be operated profitably. However, according to the application, if it were combined with the nearby water utility serving 175 customers owned by August Dententer, the consolidated operation should be large enough to show a profit.

Both the flat rate and metered service schedules in effect for the Dunning system are somewhat higher than corresponding rates authorized for the Dententer system. No changes in such schedules will be made effective as the result of the agreement herein and the order will so provide.

The water system facilities proposed to be transferred comprise certain lands not described in detail, approximately 4,000 feet of various diameter mains, two wells equipped with electrically driven pumps and a pressure tank. The original cost of the system, including lands, is stated to be \$9,538.21, and the book cost as of June 1, 1953, \$7,628.58.

The terms of the transfer provide for a total price of \$5,500, of which \$500 has been paid, an additional \$2,511 was to have been paid within ten days from the date of execution of deposit receipt form of sales agreement signed on May 27, 1953, and the remaining \$2,488.88 is to be paid at the rate of \$50 per month, each payment including interest at six per cent per annum. This conditional sales transaction would retain legal title in W. Glenn Dunning until the payments have been completed as provided in the agreement.

This situation has a parallel in a formal proceeding, Application No. 25951, in which J. J. Dulcich requested authority to sell Mariposa Telephone Exchange to C. W. and D. E. Rooms. The Commission's order, Decision No. 37088, issued May 9, 1944, required owner Dulcich to continue to be responsible for the rendition of adequate telephone service. He was authorized, however, to permit the prospective purchasers, the Rooms, to conduct and operate the utility as "Agents for James J. Dulcich, Owner." The order further provided that the parties might apply for a final order authorizing the sale and transfer when the owner was prepared to execute a bill of sale covering the property transfer. Subsequently, the parties executed a new agreement based upon a cash sale, and upon proper request the Commission issued its supplemental order, Decision No. 37187, authorizing the transfer.

Consistent with the foregoing precedent, the owner and prospective purchaser of Linda Center Water System will be authorized to enter into the conditional sales agreement contemplating the prospective transfer of said water system. The order will further provide that W. Glenn Dunning must continue his responsibility for furnishing public utility water service, but may permit August Dententer to operate the water utility as an agent of the owner. Upon the purchaser's compliance with the terms of the conditional sales agreement herein, the parties may, by supplemental application, request the Commission to issue a final order authorizing the sale and transfer to August Dententer.

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

The Commission has considered the applicants' request and is of the opinion that the execution of the proposed agreement will not be adverse to the public interest, that a public hearing is not necessary, that the money, property or labor to be procured or paid for through the execution of the conditional sales agreement is reasonably required for the purpose specified herein, that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income, and that the request of the applicants should be granted subject to the foregoing conclusions; therefore,

IT IS HEREBY ORDERED as follows:

1. That W. Glenn Dunning and August Dententer be and they are hereby authorized to enter into a conditional sales agreement by the terms of which W. Glenn Dunning agrees to sell, and August Dententer agrees to purchase, Linda Center Water System for the sum of \$5,500 to be paid in accordance with the terms and conditions set forth in the document entitled "Deposit Receipt," a copy of which is attached to the application.

2. That during the pendency of the agreement authorized by the preceding ordering paragraph, and until supplemental authorization to effect the sale and transfer of said water system is sought and obtained, August Dententer may take possession of said water system and shall operate it as "Agent for W. Glenn Dunning, Owner."
3. That within 20 days after taking possession of said water system, August Dententer shall file with this Commission a notice that he has adopted the tariff schedules in effect on the date of taking possession, and that said notice and subsequent tariff filings and reports shall be filed with the Commission by said August Dententer as "Agent for W. Glenn Dunning, Owner."
4. That within 30 days after the execution of the agreement herein authorized, a true and correct copy of said agreement shall be filed with this Commission.
5. That the authority herein granted will become effective when August Dententer has paid the minimum fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$25.

Dated at San Francisco, California, this 18th day of August, 1953.

President
Justin F. Casner
Harold P. Kula
John L. Mitchell

 Commissioners

