

Decision No. 49865

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
CORNELIS BOL AND JOSINA J. BOL, doing)	
business as BARRON PARK WATER COMPANY,)	
for an order authorizing them to sell)	Application No. 34517
their water system to the City of Palo)	Amended.
Alto, a municipal corporation.)	

OPINION AND ORDER

Cornelis Bol and Josina J. Bol, doing business as Barron Park Water Company, and engaged in the business of distributing and selling water for domestic purposes in a territory immediately south of the City of Palo Alto, Santa Clara County, ask for authority to sell and transfer the water system to the City of Palo Alto, and to be relieved of the duties and functions of a public utility.

An amendment to the application was filed on August 14, 1953, to add the "Joinder of City of Palo Alto as Party," the verification executed by the City of Palo Alto, and a conformed copy of the contract as executed subject to approval by the Commission.

The agreement provides that the assets and properties used or held for use in the operation of the water utility will be transferred for the sum of \$75,000 subject to certain minor adjustments. The purchase price is payable in cash or by certified check on the date the transaction is consummated.

Paragraph 5(b) of the agreement of sale provides that the City does not assume any liability or obligation of the sellers to refund consumers' deposits or consumers' advances for construction. It does provide that the City shall "furnish to Sellers***** annual statements of the gross revenues collected by Purchaser from consumers whose charges affect such computation."

This provision of the agreement recognizes the sellers' obligation to make refunds, and the order herein will require the filing of a statement listing all outstanding consumers' advances for construction subject to refund. As to consumers' deposits the order will require immediate refund thereof by the sellers.

Paragraph 6 of the agreement provides that in the event that any of the requirements and conditions precedent shall not have been satisfied or waived prior to October 31, 1953, the agreement shall become null and void.

Originally organized as a mutual corporation, Emway Mutual Water Company was granted a certificate of public convenience and necessity to operate a public utility water system by the Commission's Decision No. 43690, dated January 17, 1950, in Application No. 30448. The corporate name was later changed to Barron Park Water Co. The transfer of the assets of this corporation to Cornelis Bol and Josina J. Bol was authorized by the Commission in Decision No. 48658, dated June 1, 1953, in Application No. 34338.

The public utility proposed to be transferred furnishes water to approximately 400 consumers in the Barron Park Subdivision and contiguous territory, immediately south of the City of Palo Alto. As shown on the balance sheet attached to the application the total amount of fixed capital of the utility is \$55,430, and the reserve for depreciation is \$14,735.

The application alleges that the present owners desire to sell the water system for the reason that they are unable to continue to operate it personally, and the revenues are not sufficient to permit the employment of additional personnel without a substantial increase in rates. The City of Palo Alto proposes to interconnect the mains of its system with those of Barron Park Water Company and thereby improve the pressure in the latter system.

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

In order to expedite the sale and transfer of the water system, the Commission is asked that the effective date of the order be made as of the date when the authority herein requested is granted. It appearing that it is not adverse to the public interest to grant the request, the following order will be made effective as of the date of issuance.

The Commission having considered the request of the applicants and, being of the opinion that the proposed sale, transfer and conveyance will not be adverse to the public interest and that a public hearing is not necessary, finds that the application should be granted subject to certain conditions; therefore,

IT IS HEREBY ORDERED that Cornelis Bol and Josina J. Bol, on or after the effective date hereof and on or before October 31, 1953, may sell and convey their water utility properties as set forth in the agreement, Exhibit B of the amendment to application, to the City of Palo Alto, a municipal corporation, subject to the following conditions:

1. That on or before the actual date of transfer, Cornelis Bol and Josina J. Bol, shall refund all consumer deposits, if any, to consumers entitled thereto, and within thirty days thereafter shall notify this Commission, in writing of the completion of such refunding.
2. That Cornelis Bol and Josina J. Bol shall file with this Commission a verified statement showing all obligations to make refunds of consumers' advances for construction, the amounts thereof, and the names of persons or corporations in whose favor such obligations exist.
3. That if the authority herein granted is exercised Cornelis Bol and Josina J. Bol shall, within thirty days thereafter, notify this Commission, in writing, of the date of such completion of the property transfer herein authorized and of their compliance with the conditions hereof.

4. That upon due compliance with all of the conditions of this order, said Cornelis Bol and Josina J. Bol, doing business as Barron Park Water Company, shall stand relieved of all further public utility obligations and liabilities in connection with the operation of the public utility water system herein authorized to be transferred.

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

Dated at San Francisco, California, this 15th day of

September, 1953.

R. J. [Signature]
President

Josina J. Bol

Harold P. Hule

[Signature]

[Signature]

Commissioners