

**ORIGINAL**Decision No. 49422

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 MABEL W. JACKS, an individual doing )  
 business as MONTE REGIO WATER SYSTEM, )  
 for authority to sell and transfer to )  
 California Water & Telephone Company, )  
 and of CALIFORNIA WATER & TELEPHONE )  
 COMPANY, a corporation, for authority )  
 to purchase the Monte Regio Water )  
 System, and to establish rates to be )  
 charged by California Water & Telephone )  
 Company upon acquisition of said water )  
 system. )

Application No. 34925

O P I N I O N

The Commission is requested to authorize Mabel W. Jacks (hereinafter called "Jacks") to sell and transfer the public utility water system owned and operated by her under the name of Monte Regio Water System to the California Water & Telephone Company (hereinafter called "California"). The Commission is further requested, if the sale and transfer of such system is authorized, to permit California to render water service therein as part of its service in its Monterey Peninsula Division and at the same rates and charges and subject to the same rules and regulations as are authorized for and applicable to service in such division.

Jacks' system supplies water for compensation for domestic and other purposes in the subdivided tracts designated as Monte Regio Tract No. 1, Monte Regio Tract No. 2 and Monte Regio Tract No. 3, all situated within the city limits of the City of Monterey, in Monterey County.

The system supplies water to approximately 300 consumers. The area served by Jacks is adjacent to and contiguous with areas being served by California in its Monterey Peninsula Division.

Monte Regio Water System does not possess any independent source of supply, all water supplied throughout its system having been and still is being purchased from California. The system's existing facilities are inadequate to render efficient and sufficient water service to existing and potential consumers.

California is a public utility rendering water service in various areas of the State including its Monterey Peninsula Division comprising the Cities of Carmel, Monterey and Pacific Grove and certain unincorporated territory in Monterey County. The area served by such division is contiguous to and to a large extent surrounds the area served by Monte Regio Water System.

A copy of a contract of sale, dated November 23, 1953, attached to the application as Exhibit No. 3 provides that Jacks is to transfer to California the entire Monte Regio Water System, including pipelines, meters, services, gate valves, fire hydrants, and all rights and easements incident or appurtenant thereto for the sum of \$40,000, payable in cash at the time the transfer is consummated.

Applicants allege that the plant and business of Monte Regio Water System is not large enough to warrant the expense of independent managerial, supervisory and maintenance personnel; that Jacks is not personally able to provide such services as would be required in order to improve the quality of water service presently afforded the consumers of the Monte Regio Water System; that California has the personnel and facilities available in its Monterey Peninsula Division to properly supervise and maintain the business and plant of the Monte Regio Water System; that the quality of water service to the consumers of the Monte Regio Water System can be substantially improved if such system is connected to and integrated with the water system of California's Monterey Peninsula Division.

California alleges that in the event it is authorized to acquire the Monte Regio Water System it will be required to make various interconnections between said system and its own system; that such interconnections will require the development of an additional water supply and an increase in pumping capacity and a relocation of a pumping plant; that the estimated cost thereof is approximately \$7,700; that the estimated additional net revenue it will receive from operation of Monte Regio Water System as part of its own system is \$2,100; that its total additional investment will be \$50,000; that it will realize a rate of return of 4.20 per cent on such additional investment.

Prior to the institution of the instant proceeding, Jacks filed Application No. 34082 in which permission was sought to increase rates for water service furnished by the Monte Regio Water System.

It appears that granting the authority sought herein will not only make available an adequate and efficient water service to the consumers served by Monte Regio Water System but will result in the fixation of rates at levels lower than those requested by Jacks in Application No. 34082.

Under the circumstances here disclosed, we find that the public interest will not be adversely affected by approval of the transfer with which we are here concerned. We further find that the application of California's Monterey Peninsula Division rates to the area served by Monte Regio Water System is reasonable and justified. The application will be granted. In taking this action, no finding is made as to the value of the rights and properties involved.

O R D E R

An application having been filed, and the Commission being of the opinion that the authority requested should be granted,  
IT IS ORDERED:

(1) That Mabel W. Jacks may sell and transfer, on or before April 1, 1954, the rights and properties comprising the Monte Regio Water System, located in Monterey County, to the California Water & Telephone Company, a corporation, such sale and transfer to be made in accordance with the terms of a contract of sale dated November 23, 1953, attached to the application as Exhibit No. 3.

(2) That within five days after completion of the transfer herein authorized applicants shall notify the Commission in writing of that fact and within said period shall file with it a true copy of the instruments executed by Mabel W. Jacks to effect the transfer.

(3) That Mabel W. Jacks upon the consummation of the sale and transfer herein authorized is relieved of all public utility obligations in connection with the said Monte Regio Water System.

(4) That on and after the actual date of the completion of the transfer herein authorized, but not sooner than January 1, 1954, California Water & Telephone Company is authorized to charge for water service rendered within the area heretofore served by the Monte Regio Water System the same rates and charges that are applicable to its Monterey Peninsula Division now on file with this Commission as authorized in Decision No. 47906, dated November 3, 1952, and Decision No. 47940, dated November 18, 1952,

in Application No. 33106; concurrently therewith, the presently filed rates, rules and regulations of the Monte Regio Water System shall be cancelled and superseded by those of California Water & Telephone Company.

(5) That within thirty days after the transfer herein authorized has been completed, California Water & Telephone Company shall file with this Commission four copies of a tariff service area map revised to include the area to be served as herein authorized.

This order is effective as of the date hereof.

Dated at San Francisco, California, this 15<sup>th</sup> day of December, 1953.

A. J. [Signature]  
President  
Justin J. [Signature]  
[Signature]  
[Signature]  
[Signature]  
Commissioners