

ORIGINAL

Decision No. 50032

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 V. B. BENGSTON and J. E. HOLT, co-)
 partners doing business under the)
 name of SIERRA VIEW WATER COMPANY,)
 and DEL ESTE WATER COMPANY, a corpo-)
 ration, for an order authorizing)
 (1) the sale and transfer to Del)
 Este Water Company of the water)
 system of Sierra View Water Company)
 in the County of Stanislaus, and)
 (2) the discontinuance of service)
 by V. B. Bengston and J. E. Holt in)
 certain territory in the County of)
 Stanislaus.)

Application No. 35336

OPINION AND ORDER

V. B. Bengston and J. E. Holt, copartners doing business as Sierra View Water Company,^{1/} are engaged in the business of distributing and selling water for domestic purposes in an area which includes a subdivision known as Harte Tract, about 1 mile north of Modesto, Stanislaus County, and ask for authority to sell and transfer their public utility water system properties to Del Estes Water Company,^{2/} a corporation, and to discontinue public utility water service in the area served by Sierra in Stanislaus County.

A letter agreement, a copy of which is attached to the application as Exhibit B, provides that the properties will be transferred for the amount of \$15,600, to be paid in cash, subject to certain liens enumerated in the agreement. The properties proposed to

^{1/} Hereinafter sometimes called Sierra.
^{2/} Hereinafter sometimes called Del Este.

be transferred are described more particularly in the agreement and in the proposed form of deed and bill of sale attached to the application as Exhibit C. The book cost of the Sierra property is stated to be \$13,730.09, and the original cost, \$15,662.02.

A certificate of public convenience and necessity to operate a public utility water system under the name of Sierra View Water Company was granted to Kavanagh Building Company by the Commission's Decision No. 44877, dated October 10, 1950, in Application No. 31560. The transfer of said water system to the present owners, V. B. Bengston and J. E. Holt, a partnership, was authorized by the Commission in its Decision No. 48106, dated December 22, 1952, in Application No. 33524 (as amended).

The service area of the Sierra water system, comprising some 1,260 acres, is contiguous to territory served by Del Este. If the authorization sought herein is granted, Del Este proposes to operate the properties as a district of Del Este's System No. 7 under the established rates of Sierra now on file with the Commission but in accordance with the filed rules and regulations of Del Este.

V. B. Bengston and J. E. Holt state that they desire to retire from the water utility business for the reason that their primary business interests lie in other fields.

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

The Commission having considered the above-entitled application, and being of the opinion that a public hearing is not necessary, finds that the proposed transfer will not be adverse to the public interest, that any increase in charges which may result

from the application of Del Este's rules and regulations in the service area hereinafter authorized to be transferred are justified, and that the application should be granted, therefore,

IT IS HEREBY ORDERED as follows:

1. That V. B. Bengston and J. E. Holt, copartners, after the effective date hereof and on or before October 31, 1954, may convey and transfer all of their water utility properties as set forth in the letter agreement and the proposed form of Deed and Bill of Sale attached to the application as Exhibits B and C, respectively, to Del Este Water Company.
2. That the rates of Sierra View Water Company, now legally on file with this Commission, shall be refiled within thirty days from the date of actual transfer under the name of Del Este Water Company in accordance with procedure prescribed by General Order No. 96 to make said rates applicable for water service rendered by Del Este in the area hereinabove authorized to be transferred. No increase in the present lawfully filed rates for water service in the area hereinabove authorized to be transferred shall be made unless authorized by this Commission.
3. That Del Este Water Company shall, within thirty days from the date of actual transfer, amend its presently filed rules and regulations, including tariff service area maps, in accordance with procedure prescribed by General Order No. 96, to provide for the application of said rules and regulations for water service in the area hereinabove authorized to be transferred.
4. That within sixty days from the date of actual transfer, Del Este Water Company shall file four copies of a comprehensive service area map of the system in which the water service area hereinabove authorized to be transferred is to become a part, drawn to an indicated scale not smaller than 200 feet to the inch, delineating by appropriate markings the various tracts of land and territory served; the principal water production, storage and distribution facilities; and the location of the various properties of applicant.
5. That on or before the date of actual transfer, V. B. Bengston and J. E. Holt, copartners 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 Del Este Water Company.

- 6. That on or before the date of actual transfer, V. B. Bengston and J. E. Holt, copartners, shall transfer and deliver to Del Este Water Company, and the latter shall receive and preserve all records, memoranda and papers pertaining to the construction and operation of the properties of the Sierra View Water Company.
- 7. If the authority herein granted is exercised, V. B. Bengston and J. E. Holt, copartners, shall, within thirty days thereafter, notify this Commission in writing, of the date of such completion of the property transfer herein authorized.
- 8. That upon due compliance with all of the conditions of this order, said V. B. Bengston and J. E. Holt, copartners, 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 effective date of this order shall be twenty days after the date hereof.

Dated at Los Angeles, California, this 11th day of May, 1954.

Edward E. Schell
 President
Justin J. C. ...
Kenneth ...
W. ...
 Commissioners