Decision No. 50958

In the Matter of the Application of

FRUITRIDGE VISTA WATER COMPANY, a corporation.

for an Order approving the transfer to applicant Fruitridge Vista Water Company of the water system now known as FRUITRIDGE GARDENS WATER COMPANY - which said application is joined in by EMELIE CONIFF, doing business as Fruitridge Gardens Water Company.

Application No. 35894 (Amended)

## OPINION\_AND ORDER

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Fruitridge Vista Water Company, a corporation, engaged in the business of distributing and selling water for domestic and commercial purposes in an area which adjoins the City of Sacramento on the south, joins with Emelie Coniff, a widow, who, as surviving joint tenant, owns and operates a public utility water system known as Fruitridge Gardens Water Company which system renders service to an area which includes the Fruitridge Gardens subdivision, in asking the Commission for authority to transfer the Fruitridge Gardens water system to Fruitridge Vista. By its amendment to the application, filed December 16, 1954, Fruitridge Vista also requests authorization to assume the obligation set forth in the transfer agreement.

A proposed agreement of sale, a copy of which is attached to the application as Exhibit A, provides that the utility properties are to be transferred for payment to Emelie Coniff of thirty-five per cent of all the gross revenues derived from customers within the boundaries of Fruitridge Gardens and also from the revenues derived from the adjoining Lutheran Church property which is located on the east side of 44th Street, for a period of ten years from the date that

<sup>1/</sup> Sometimes referred to as Fruitridge Vista.

<sup>2/</sup> Sometimes referred to as Fruitridge Gardens.

Fruitridge Vista commences operation of said Fruitridge Gardens system. The proposed agreement further provides for the method of making payments to the seller in the event that the Fruitridge Gardens system is sold to a third party or its operation discontinued prior to the termination of the said ten-year period.

The properties proposed to be transferred are described more particularly in the proposed agreement. The original book cost of the Fruitridge Gardens system is stated to be \$10,000.

A certificate of public convenience and necessity to operate a public utility water system under the name of Fruitridge Gardens Water Company was granted to Joseph and Emelie Coniff, his wife, by the Commission's Decision No. 48321, dated March 2, 1953 in Application No. 33778. On February 10, 1954, Joseph Coniff died and Emelie Coniff, as surviving joint tenant, now owns and operates the water system.

The reason given for the proposed sale is that Emelie Coniff is now a widow and finds the operation of the water system too burdensome.

The service area of the Fruitridge Gardens system is stated to be contiguous to the area served by Fruitridge Vista. If the authorization sought herein is granted, Fruitridge Vista proposes to interconnect the two distribution systems and operate them as a unit.

The flat rates in effect for the two systems vary only slightly and both are based upon a charge of \$2.50 per residence per month. With reference to the rates to be charged if the Fruitridge Gardens system is transferred, the application states, "That applicant Fruitridge Vista Water Company, a corporation, will and hereby adopts the rate schedule now in effect by said Fruitridge Gardens Water Company."

The action taken herein shall not be construed as a finding of value of the properties 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, and that the money, property or labor to be procured or paid for through the execution of said agreement of sale is reasonably required by applicant corporation, therefore

## IT IS HEREBY ORDERED as follows:

- 1. That Emelie Coniff may, on or after the effective date hereof and on or before July 31, 1955, sell and transfer the herein described public utility property, pursuant to the proposed agreement of sale and deed attached to the application as Exhibits A and B, respectively, to Fruitridge Vista Water Company, a corporation. Fruitridge Vista Water Company is authorized to execute said agreement of sale and to incur the obligation set forth therein.
- 2. That the rates and rules of Emelie Coniff, dba Fruitridge Gardens Water Company, now on file with this Commission, shall be refiled within 30 days from the date of actual transfer under the name of Fruitridge Vista Water Company in accordance with the provisions of General Order No. 96, or in lieu of such refiling, Fruitridge Vista Water Company may file a notice of adoption of said presently filed rates and rules. No increases in the presently filed rates and rules shall be made unless otherwise properly authorized by this Commission.
- 3. That on or before the date of actual transfer, Emelie Coniff 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 Fruitridge Vista Water Company.
- 4. That on or before the date of actual transfer, Emelie Coniff shall transfer and deliver to Fruitridge Vista 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 Fruitridge Gardens Water Company.
- 5. If the authority herein granted is exercised, Emelie Coniff, shall, within 30 days thereafter, notify this Commission in writing, of the date of such completion of the property transfer herein authorized.
- 6. That upon due compliance with all the conditions of this order, said Emelie Coniff 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 to execute an agreement will become effective when Fruitridge Vista Water Company has paid the minimum fee prescribed in Section 1904 (b) of the Public Utilities Code, which fee is \$25. In other respects the effective date of this order shall be twenty days after the date hereof.

Dated at San Primers, California, this 10 th

day of Comment, 19.55.

Commissioners

PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA

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