

ORIGINALDecision No. 51058

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of EAST SAN BERNARDINO)
 WATER COMPANY, a copartnership,)
 consisting of WILLIAM H. EADIE,)
 JUDD K. PAYNE and CHARLES P. FULLER)
 and the EAST SAN BERNARDINO COUNTY)
 WATER DISTRICT for permission to)
 sell the physical assets of the)
 EAST SAN BERNARDINO WATER COMPANY)
 to the EAST SAN BERNARDINO COUNTY)
 WATER DISTRICT.))

Application No. 36546

OPINION AND ORDER

William H. Eadie, Judd K. Payne and Charles P. Fuller, copartners, doing business as the East San Bernardino Water Company,¹ by application filed December 8, 1954, seek authority from this Commission to sell the physical assets of their public utility water system and other assets appurtenant thereto to East San Bernardino County Water District,² which joins in the application.

Under the terms of the Contract of Purchase, a copy of which is attached to the application as Exhibit A, the Copartners propose to sell to the District their water system properties described in said contract for the sum of \$28,600 plus the cost of certain capital additions and improvements made after July 1, 1954, provided said additions and improvements have been made with the consent of the District. The purchase price is to be paid from the proceeds of bonds to be issued by the District.

The Copartners were granted a certificate of public convenience and necessity to operate a public utility water system by this Commission by its Decision No. 39684, dated December 3, 1946, in Application No. 27727. Water is furnished by them for residential

¹ Sometimes herein called Copartners.

² Sometimes herein called District.

and fire protection purposes in an area known as East San Bernardino and lying outside of the City of San Bernardino, San Bernardino County.

The balance sheet of the Copartners, dated December 31, 1953, attached to the application as Exhibit B, shows fixed capital and reserve for depreciation of \$36,907.15 and \$4,523.22, respectively, thus indicating a depreciated fixed capital of \$32,383.93 for the water system properties proposed to be transferred.

Counsel for the District has indicated that, although the area now being served by the Copartners lies entirely outside of the boundaries of the District, it is the intention of the District to continue to serve all of the Copartner's present customers and those in said area who may request service in the future.

It is noted that in the hereinabove mentioned Contract of Purchase the terms thereof provide that the Copartners may not make any further capital additions or improvements without the consent of the District, and said contract further provides that the Copartners shall continue to operate the water utility to the day of transfer following close of the escrow. It shall be understood by the applicants, however, that the Copartners are under obligation to provide adequate service where proper application has been made and to install new services and main extensions under the provisions of their filed tariffs, and the transfer authorized herein shall not be construed to restrict, up to the date of actual transfer, the additions or improvements required for them to fulfill their utility obligations.

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 having considered the above-entitled application and being of the opinion that the proposed transfer will not be adverse to the public interest, that a public hearing is not necessary, and that the application should be granted; therefore,

IT IS HEREBY ORDERED that:

1. William H. Eadie, Judd K. Payne and Charles P. Fuller, copartners, may, on or after the effective date hereof and on or before August 31, 1955, sell and transfer their public utility properties to East San Bernardino County Water District substantially in accordance with the terms of the Contract of Purchase, included in the application as Exhibit A, except as hereinabove otherwise noted.
2. On or before the actual date of transfer, William H. Eadie, Judd K. Payne and Charles P. Fuller, copartners, shall refund all deposits which customers are entitled to have refunded, and within thirty days thereafter shall notify this Commission in writing of the completion of such refunding.
3. William H. Eadie, Judd K. Payne and Charles P. Fuller, copartners, shall, within thirty days after the actual date of transfer, 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.
4. If the authority herein granted is exercised, William H. Eadie, Judd K. Payne and Charles P. Fuller, copartners, 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.
5. Upon due compliance with all of the conditions of this order, said William H. Eadie, Judd K. Payne and Charles P. Fuller, 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 San Francisco, California, this 1st day of February, 1955.

John E. [Signature]
President

Justus J. Caswell

Rayto [Signature]

[Signature]

Commissioners