

ORIGINAL

Decision No. 51114

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Joint Application of)	
)	
CITIZENS UTILITIES COMPANY OF)	
CALIFORNIA, a corporation, and)	
K. J. NEELEY and GRACE F. NEELEY,)	
doing business as EAST GUERNEWOOD)	Application
WATER SYSTEM)	No. 36669
)	
for an order authorizing CITIZENS UTILITIES)	
COMPANY OF CALIFORNIA to purchase the)	
water system owned and operated by said)	
K. J. NEELEY and GRACE F. NEELEY.)	
-----)	

OPINION AND ORDER

This is an application for an order authorizing the transfer of a small public utility water system known as the East Guernewood Water System from K. J. Neeley and Grace F. Neeley, hereinafter referred to as Sellers, to Citizens Utilities Company of California, a corporation, hereinafter referred to as Citizens.

The water system is located in a subdivision in the East Guernewood District of the Town of Guerneville, Sonoma County, and serves approximately 90 customers on a flat rate basis at an annual charge of \$16, payable annually in advance. The present owners have not obtained a certificate of public convenience and necessity from the Commission to operate a public utility water system and have not filed rates, rules and regulations. According to exhibits filed in this proceeding, their recorded investment in the land and structures comprising the system amounted to \$4,795 at the close of 1953 and their operating revenues for the calendar year aggregated \$1,390, with net income of \$311.

The application shows that Sellers desire to retire from the active ownership, management and operation of the water system, that the revenues are not sufficient to permit them to employ additional personnel to conduct the business, and that accordingly they have made arrangements to dispose of their properties to Citizens for the sum of \$3,000.

Citizens is engaged in operating a public utility water system in territory adjacent to that served by Sellers. It proposes, if authorized to acquire the system of the Sellers, to interconnect it by a four-inch or larger main with its own water system which serves the Guerneville area, to continue in effect, for the time being at least, the rates presently charged by Sellers, and to make applicable to the water system to be acquired the rules and regulations now in effect for its existing Guerneville water system.

The present system of the Sellers consists of a spring, wells, pumps, small storage tanks, and transmission and distribution mains. The interconnection with the larger system of Citizens will make available to the present customers the larger storage facilities and mains of Citizens and should assure a more adequate and continuous source of water supply. Under the circumstances outlined in this proceeding it is our opinion, and we so find, that the proposed transfer will not be adverse to the public interest and should be authorized; therefore,

IT IS HEREBY ORDERED as follows:

1. K. J. Neeley and Grace F. Neeley, on and after the effective date hereof and on or before June 30, 1955, may transfer

to Citizens Utilities Company of California the water properties referred to in this application, under the terms and conditions set forth therein, and Citizens Utilities Company of California may purchase and acquire and thereafter operate said water system.

2. Citizens Utilities Company of California is authorized and directed to charge, in the service area it will acquire under the authorization herein granted, the rates presently being charged by K. J. Neeley and Grace F. Neeley and to apply in said service area its own rules and regulations which now are on file with the Commission for its Guerneville District water system.

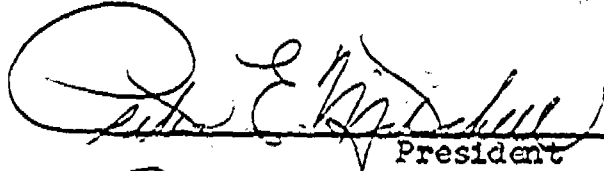
3. Citizens Utilities Company of California, if it acquires the hereinabove described properties, shall file, in accordance with the procedure prescribed by General Order No. 96, the rates authorized herein and shall revise its presently effective tariff schedules for its Guerneville District water system to provide for the application of its rules and regulations in the service area being acquired herein, including a revised tariff service area map. Such rates, revised tariff schedules and tariff service area map shall become effective upon five days' notice to the Commission and to the public after filing as hereinabove provided.

4. If the authority herein granted is exercised, Citizens Utilities Company of California, within 30 days thereafter, shall notify the Commission in writing of the date of the completion of the transfer and shall file a certified copy of the bill of sale.

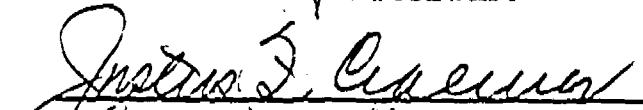
5. The action taken herein shall not be construed to be a finding of the value of the properties herein authorized to be transferred.


6. The authority herein granted will become effective
20 days after the date hereof.

Dated at San Francisco, California, this 23rd day of
February, 1955.



President





Commissioners