

**ORIGINAL**

Decision No. 51995

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 JOHN H. McMAHON and )  
 STETSON SHUEY, doing business as EL CAMINO )  
 WATER COMPANY for an order authorizing )  
 JOHN H. McMAHON and STETSON SHUEY to sell )  
 their water system to CITIZENS UTILITIES )  
 COMPANY OF CALIFORNIA. )

Application No. 37242

OPINION AND ORDER

By this application filed August 23, 1955, John H. McMahon and Stetson Shuey,<sup>1</sup> doing business as El Camino Water Company, and Citizens Utilities Company of California,<sup>2</sup> a corporation, jointly seek the necessary authorization of the Commission for Sellers to sell and transfer to Buyer the public utility water system operated by Sellers near North Sacramento, Sacramento County, for Sellers to be relieved of all public utility obligations in connection with the operation of their water system upon consummation of the proposed sale, and for Buyer to be authorized to operate the subject water system under the rates and rules now on file with the Commission for this utility system.

A certificate of public convenience and necessity to operate a public utility water system was granted to Stetson Shuey and Jack H. McMahon, a partnership, by the Commission in its Decision No. 45793, dated June 5, 1951, in Application No. 32223. According to the application, the system furnishes water service to approximately ninety customers in an unincorporated area of Sacramento

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1 Sometimes herein called Sellers.  
 2 Sometimes herein called Buyers.

County on both sides of El Camino Avenue between the Southern Pacific right of way and U. S. Highway No. 40.

The consideration for the transfer is stated to be \$16,000, subject to certain adjustments and payable in cash on the closing date, and all the terms of the sale and transfer are set forth in a letter agreement, dated July 29, 1955, which agreement is attached to the application as Exhibit A.

The balance sheet of El Camino Water Company as of December 31, 1954, attached to the application as Exhibit C, shows the total fixed capital to be \$21,102.48 and the reserve for depreciation to be \$782.22, indicating a depreciated fixed capital of \$20,320.26.

The reasons given for the proposed transfer are that Sellers desire to retire from active ownership and management of the water system and that the revenues therefrom are not sufficient to permit them to employ additional personnel to manage the system.

The area served by Sellers' system is stated to be adjacent to Buyer's North Sacramento District water system. Upon acquisition, it is also stated that Buyer will rehabilitate and increase the output of the wells and pumps constituting a part of the system to be transferred herein and will provide such additional wells or other supply as may be necessary to serve all present and prospective consumers within the present service area of Sellers.

As Buyer's North Sacramento District water system is adjacent to that served by the El Camino Water Company, according to the application, it does not appear necessary for Buyer to maintain on file separate tariff schedules for the system to be acquired herein. Therefore, the order which follows will authorize and direct Buyer to apply the rules on file for its North Sacramento District to the service area to be transferred herein and to refile the rates

now on file for El Camino Water Company as a part of Buyer's North Sacramento District tariff schedules.

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, that the proposed transfer will not be adverse to the public interest, that any increase in charges which may result from the application of Buyer's North Sacramento District water system rules 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 John H. McMahon and Stetson Shuey may, on or after the effective date hereof and on or before December 31, 1955, sell and transfer the herein described public utility water properties to Citizens Utilities Company of California, a corporation, substantially in accordance with the proposed letter agreement of said parties attached to the application as Exhibit A.
2. That Citizens Utilities Company of California, on and after the date of actual transfer, is authorized and directed to charge in the service area acquired under the authorization herein granted the rates presently being charged by John H. McMahon and Stetson Shuey under the name of El Camino Water Company and to apply in said service area its own rules which now are on file with the Commission for its North Sacramento District water system.
3. That Citizens Utilities Company of California, if it acquires the hereinabove described properties, shall file the rates authorized herein and shall revise its presently effective tariff schedules for its North Sacramento District water system to provide for the application of its rules and said rates in the service area being acquired herein, together with a revised tariff service area map, all in accordance with the procedure prescribed by General Order No. 96. Such rates, revised tariff sheets 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. That on or before the date of actual transfer, John H. McMahon and Stetson Shuey shall refund all consumers' deposits and customers' advances for construction which customers are entitled to have refunded. Any unrefunded deposits and advances shall be transferred to and become the obligation for refund of Citizens Utilities Company of California.
5. That on or before the date of actual transfer, John H. McMahon and Stetson Shuey shall transfer and deliver to Citizens Utilities Company of California and the latter shall receive and preserve all records, memoranda and papers pertaining to the construction and operation of the properties of the El Camino Water Company.
6. If the authority herein granted is exercised, John H. McMahon and Stetson Shuey, 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.
7. That upon due compliance with all the conditions of this order, said John H. McMahon and Stetson Shuey 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 27<sup>th</sup> day of September, 1955.

[Signature]  
 President  
Justin J. Casella  
Raulo Anttonen  
[Signature]  
[Signature]  
 Commissioners