

ORIGINAL

Decision No. 52301

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Joint Application of the)
 MENDOCINO HEIGHTS WATER COMPANY, a)
 copartnership composed of C. L.)
 WILSON and PHILIP OLSON, Seller,)
 and CITY OF KINGSBURG, a Municipal)
 Corporation, Purchaser, for the)
 transfer of all of the Physical)
 Assets of the MENDOCINO HEIGHTS)
 WATER COMPANY.)

Application No. 37365

OPINION AND ORDER

C. L. Wilson and Philip Olson,¹ copartners, doing business as Mendocino Heights Water Company, and the City of Kingsburg,² a municipal corporation, by their joint application filed October 4, 1955, seek authority from this Commission to transfer the physical assets of the water system from the Copartners to the City.

Under the terms of the agreement, a copy of which is attached to the application as Exhibit "B", the Copartners propose to sell to the City their water system properties described in said agreement for the sum of \$12,000. Terms of the agreement provide for an initial payment of \$1,000 upon the execution of the agreement, and the balance thereof to be paid at the rate of \$1,000 per year, plus interest at six per cent per annum on the unpaid balance. The deferred payments are to be represented by promissory notes of the City, in favor of the Copartners. Copies of the form of said promissory notes are attached to the application as Exhibits "E" and "F", each representing one half of the balance of \$11,000.

1 Sometimes herein called Copartners.

2 Sometimes herein called City.

The properties proposed to be transferred consist of water mains, pumping plant and certain land on which are located two wells, together with right of way for ingress and egress. Said properties are more particularly described in the agreement, grant deed and bill of sale attached to the application as Exhibits "B", "C" and "D", respectively.

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. 48320, dated March 2, 1953, in Application No. 33843.

The balance sheet of the Copartners, dated June 30, 1955, attached to the application as Exhibit "G", shows utility plant and reserve for depreciation of \$9,052.50 and \$1,131.86, respectively, thus indicating a depreciated plant of \$7,920.64 for the water system properties proposed to be transferred.

It is stated that the territory served by the Copartners was annexed to the City of Kingsburg by Ordinance No. 239, which ordinance became effective August 18, 1955.

The City of Kingsburg at the present time furnishes water to all areas included within the corporate limits of said City of Kingsburg, except that area served by the Copartners, and upon the acquisition of the assets of the Copartners, intends to furnish water to all of the inhabitants within the corporate limits of the City of Kingsburg. It is for this reason that the City desires to buy the water system of the Copartners.

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. C. L. Wilson and Philip Olson, copartners, may, on or after the effective date hereof and on or before March 1, 1956, sell and transfer their public utility properties to the City of Kingsburg substantially in accordance with the terms of the agreement, included in the application as Exhibit "B".
2. On or before the date of actual transfer, C. L. Wilson and Philip Olson, 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. C. L. Wilson and Philip Olson, copartners, shall, within thirty days after the date of actual transfer, file with this Commission a verified statement showing all obligations to make refunds of customers' advances for construction, if any, the amounts thereof, and the names of persons or corporations in whose favor such obligations exist.
4. If the authority herein granted is exercised, C. L. Wilson and Philip Olson, 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 C. L. Wilson and Philip Olson, 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 29th day of November, 1955.

E. Mitchell President
James J. Calmes
Robert S. [unclear]
[unclear]
 Commissioners