

ORIGINAL

Decision No. 52479

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of

C. C. COVEY and MAYME J. COVEY,
doing business as Garnet Garden
Water Co., for permission to transfer
their Certificate to RANCHO RAMON
WATER CO. and to sell all assets
utilized in connection therewith.

Application No. 37452

OPINION AND ORDER

C. C. Covey and Mayme J. Covey, individuals, doing business as Garnet Gardens Water Company, ^{1/} by the above-entitled application, filed November 1, 1955, seek authority to transfer the certificate of public convenience and necessity granted by Decision No. 41093, dated January 6, 1948, in Application No. 28411, and their water system assets to Rancho Ramon Water Company, ^{2/} a corporation.

The area in which applicants are presently furnishing water service is delineated on the map, Exhibit No. 3, attached to the application and comprises portions of Sections 10, 11, 12, 13, 14 and 15, Township 3 South, Range 4 East, S. B. B. & M., about seven miles north and two miles west of the Palm Springs Airport, in unincorporated territory, Riverside County. Rancho

^{1/} Hereinafter referred to as applicants or the Coveys.
^{2/} Hereinafter referred to as Rancho.

was granted a certificate of public convenience and necessity to operate a public utility water system by Decision No. 48421, dated March 30, 1953, in Application No. 34028. Its area comprises Section 16, Township 4 South, Range 5 East, S. B. B. & M., which is about two miles east of Palm Springs Airport, on the north side of Ramon Road, also in unincorporated territory, Riverside County.

The consideration for the proposed purchase, transfer, and sale was the delivery to the Coveys of a promissory note of and by Rancho in the amount of \$18,750 due on or before one year from the issuance thereof, to wit: on or before August 30, 1955. Exhibit No. 1 is a receipt by the Coveys of said note and a bill of sale transferring, setting aside, quitclaiming, granting and conveying to Rancho the Coveys' water system properties, including all water mains, hydrants, motors, pumps, pumping equipment, reservoir, tanks, well and reservoir sites, well equipment, wells, meters, meter boxes, easements, and all other public utility water system properties.

Exhibits Nos. 2(a) and 2(b) are copies of grant deeds dated October 12, 1955, granting to Rancho the real property of the Coveys described therein. Exhibit No. 4 is a financial statement of the Coveys, doing business as Garnet Gardens Water Company, as of August 30, 1955. Said statement shows total utility property as of that date in the amount of \$26,956, and as of January 1, 1955, a total of \$26,238. The latter amount of utility plant is also shown as of December 31, 1954, in the utility's annual report to the Commission for the year 1954. No reserve for depreciation is indicated in either Exhibit No. 4 or in the annual report. The depreciated historical cost of the assets and property proposed to be transferred is stated in the application to be \$18,750 plus

additional expenditures in the amounts of \$4,658 for main extensions and \$1,800 for meters, which expenditures are not reflected in the last annual statement of the applicants.

As Rancho's present water system is indicated in the application to be situated within a few miles of the applicants' water system, it does not appear necessary for Rancho to maintain on file separate tariff schedules for the system to be acquired herein. Therefore, the order which follows will authorize and direct Rancho to apply the rules on file for its present system to the service area to be transferred herein and to refile the rates now on file for Garnet Gardens Water Company as a part of Rancho's tariff schedules.

The action taken herein shall not be construed to be a finding (1) of the value of the properties hereinafter authorized to be transferred or (2) of justification for any increase in the rates presently in effect for Garnet Gardens Water Company. The request of Rancho for authority to charge certain revised rates resulting in increased charges in the area now served by applicants will be acted upon in connection with Rancho's Application No. 37389 heretofore filed and now pending.

The Commission has considered this application, is of the opinion that a public hearing is not necessary, that the proposed transfer will not be adverse to the public interest, that no increase in rates has been justified, and that the application should be granted; therefore,

IT IS HEREBY ORDERED as follows:

(1) C. C. and Mayme J. Covey, individuals, doing business as Garnet Gardens Water Company, may on or after the effective date hereof, and on or before June 30, 1956, sell and transfer their public utility water system properties described in the

application to Rancho Ramon Water Company, a corporation, substantially in accordance with the terms and conditions of the bill of sale dated August 30, 1955, attached to the application as Exhibit No. 1, and the grant deeds dated October 12, 1955, attached to the application as Exhibits Nos. 2(a) and 2(b).

(2) That Rancho Ramon Water Company, 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 the Coveys, doing business as Garnet Gardens Water Company, and to apply in said service area its own rules which are on file with the Commission.

(3) That Rancho Ramon Water Company, if it acquires the hereinabove described properties, shall file the rates authorized herein and shall revise its presently effective tariff schedules 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) On or before the date of actual transfer, the Coveys shall refund all deposits and advances for construction which customers are entitled to have refunded. Any unrefunded deposits and advances for construction shall be transferred to and become the responsibility for refund of Rancho Ramon Water Company.

(5) If the authority herein granted is exercised, the Coveys 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.

(6). Upon due compliance with all the conditions of this order, C. C. Covey and Mayme J. Covey, individuals, doing business as Garnet Gardens Water Company, shall stand relieved of all further public utility obligations and liabilities in connection with the operations of the 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 16th day of January, 1956.

[Signature]
President

[Signature]

[Signature]

[Signature]

Commissioners