

Decision No. 52534

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Warren O. Wagner dba Great Western Water Service for approval of transfer of certificate of public convenience and necessity from Chester C. Bagstad Water Company; and to purchase all assets and interests of Chester C. Bagstad Water Company both tangible and intangible for the purpose of entering into the business of water production, storage, distribution and sale of water as a Public Utility Water Company.	)	
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	)	
	)	
	)	Application No. 37453
	)	Amended

OPINION AND ORDER

Chester C. Bagstad<sup>1/</sup>, by the above-entitled application filed October 31, 1955, and amended on November 21, 1955, seeks authority to sell, and Warren O. Wagner<sup>2/</sup> to purchase, the assets and interests of the public utility water system sometimes known as Chester C. Bagstad Water Company located near Littlerock, Los Angeles County.

Under the terms of the agreement dated November 7, 1955, included in the amendment to the application, all of the assets of the water system are to be conveyed, including pipelines, meters, pumps, engines, motors, all other equipment and supplies, and three parcels of land. The agreed transfer price is \$20,000 which is to be paid by the assignment to Seller of land sales contracts or deeds of trust, subject to approval of Seller, in a total amount of not less than \$20,000. Any remaining balance on such land sales

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<sup>1/</sup> Sometimes herein called Seller.

<sup>2/</sup> Sometimes herein called Purchaser.

contracts or deeds of trust in excess of the transfer price is to be reassigned to Buyer upon payment to Seller of the full amount of \$20,000.

A certificate of public convenience and necessity to operate the water system proposed to be transferred herein was granted to Chester C. Bagstad by the Commission in its Decision No. 43582 issued December 6, 1949, in Application No. 30425. The area served includes a subdivision known as Circle-C-Ranchos located approximately four miles west of Littlerock, Los Angeles County.

The original cost of the water system properties as of December 31, 1954, is shown to be \$32,827.94 both in the utility's operating statement in the application Exhibit D, and in the utility's annual report to the Commission for the year 1954. Seller's operating statement indicates the installation of water system improvements at a cost of \$15,062.10 during the period January 1, 1955, to October 15, 1955. No depreciation reserve is shown in the application nor in Seller's annual reports.

The copy of the agreement filed with the amendment in this application provides, in Sections Nos. 2 and 4, that certain new pipelines are to be installed by Seller and by Buyer, respectively. Except for the general locations of the proposed pipelines the conditions of the installations are not specifically stated, and it appears that these extensions are proposed to be installed under conditions other than those set forth in the main extension rule on file and in effect for the subject utility. Under the circumstances, the above-mentioned provisions of the agreement will be excluded from the authority hereinafter granted.

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. Chester C. Bagstad may, on or after the effective date hereof and on or before June 30, 1956, sell and transfer the public utility properties referred to herein, substantially in accordance with the terms and conditions of the Agreement for Sale of Chester C. Bagstad Water Company, included in the amendment to the application, except that the provisions in Sections Nos. 2 and 4 of said agreement applicable to the installation of certain main extensions are specifically excluded from the authority herein granted.
2. The rates and rules of Chester C. Bagstad, now on file with this Commission, shall be refiled within thirty days from the date of actual transfer under the name of Warren O. Wagner, doing business as Great Western Water Service, in accordance with procedure prescribed by General Order No. 96, or in lieu of such refileing, Warren O. Wagner may file a notice of adoption of said filed rates and rules. No increases in the presently filed rates and rules shall be made unless otherwise properly authorized by this Commission.
3. On or before the date of actual transfer, Chester C. Bagstad shall refund all customers' deposits and advances for construction which Seller is obligated to refund. Any unrefunded deposits or advances for construction shall be transferred to and become the obligation for refund of Warren O. Wagner.
4. On or before the date of actual transfer of the properties herein authorized, Chester C. Bagstad shall transfer and deliver to Warren O. Wagner, and the latter shall receive and preserve all records, memoranda and papers pertaining to the construction and operation of the properties of Seller's water system.
5. If the authority herein granted is exercised, Chester C. Bagstad shall, within thirty days thereafter, notify this Commission in writing of the date of such completion of the property transfer herein authorized.
6. Upon due compliance with all the conditions of this order, said Chester C. Bagstad shall stand relieved

of all further public utility obligations and liabilities in connection with the operation of the public utility water system hereinabove authorized to be transferred.

The effective date of this order shall be twenty days after the date hereof.

Dated at Los Angeles, California, this 31<sup>st</sup> day of January, 1956.

John E. Kirk, Jr.  
President

Justin D. Calmes

Paul Webster

Michael J. Foley

W. Hardy  
Commissioners