

ORIGINAL

Decision No. 52504

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of J. LAWRENCE NICKEL
 doing business as FARMERSVILLE WATER
 COMPANY to sell a water system in
 Tulare County to the FARMERSVILLE
 COUNTY WATER DISTRICT, and to be
 relieved of public utility obliga-
 tions.)

Application No. 37487

OPINION AND ORDER

By this application filed November 16, 1955, J. Lawrence Nickel, doing business as Farmersville Water Company,¹ seeks authority from this Commission to sell the physical assets of his public utility water system to Farmersville County Water District,² which joins in the application. Seller also asks to be relieved of his public utility obligations.

Under the terms of the agreement of sale, an undated copy of which is attached to the application as Annex 2, Seller proposes to sell to District, for the sum of \$13,222, his water system properties described in said agreement. The purchase price is to be paid from the proceeds of bonds to be issued by District.

A certificate of public convenience and necessity to operate the water system described herein was granted to D. W. Hilderbrant by the Commission in its Decision No. 40868, issued November 4, 1947 in Application No. 28646. The water system properties and the certificate were authorized to be transferred from D. W. Hilderbrandt to the present owner, J. Lawrence Nickel, by the Commission in its Decision No. 48573, issued May 12, 1953, in Application No. 34272. Water for domestic purposes is furnished by Seller to approximately 91 customers in

1 Sometimes herein called Seller.
 2 Sometimes herein called District.

portions of the town of Farmersville, Tulare County. The application states that all of these customers are located within the boundaries of the Farmersville County Water District and that District proposes to continue furnishing water service to each.

Authority for the transfer is stated to be sought for the reason that District proposes to build and operate an integrated water system that will be capable of serving all of the potential 760 customers within its boundaries.

Seller's annual report to the Commission for the year ending December 31, 1954, shows an investment in utility plant of \$15,787.26 and a reserve for depreciation of \$2,971.49, thus indicating a depreciated utility plant of \$12,815.77.

The terms of the proposed agreement provide that the amount of \$1,000 from the transfer price is to be paid into a trust fund to secure the payment of refunds which may become due on a certain main extension agreement entered into by Seller. It is further provided that such trust fund is to be administered by such persons as may be designated by this Commission.

Any provision that the Commission administer such trust fund is inappropriate and the transfer hereinafter authorized shall not be construed to approve such procedure. Seller, however, will be directed to deposit in trust an amount equal to the total advances in aid of construction which Seller may be obligated to refund.

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. J. Lawrence Nickel may, on or after the effective date hereof and on or before May 31, 1956, sell and transfer his public utility properties to Farmersville County Water District substantially in accordance with the terms of the agreement of sale, included in the application as Annex 2, except that certain provisions of the agreement under the subheading "Deposit for Main Extension" relative to the administration of a trust fund by this Commission are specifically excluded from the authority herein granted.
2. On or before the date of actual transfer, J. Lawrence Nickel 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. On or before the date of actual transfer, J. Lawrence Nickel shall deposit with a trust company, lawfully engaged in the business of administering trust funds, the amount of \$1,000 from which shall be paid the refunds which may become due under the terms of a main extension agreement entered into between Seller and Farmersville Assembly of God Church, and within thirty days thereafter applicant shall file with this Commission a verified statement showing that the above-mentioned deposit has been made, and the name and address of the trustee with whom the amount was deposited.
4. If the authority herein granted is exercised, J. Lawrence Nickel shall, within thirty days thereafter, notify this Commission in writing of the date of such completion of the property transferred herein authorized and of his compliance with the conditions hereof.
5. Upon due compliance with all of the conditions of this order, J. Lawrence Nickel 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 7th
day of FEBRUARY, 1956.

John E. ...
President

Justin J. ...

Paul ...

...

Commissioners