

ORIGINALDecision No. 53092

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Joint Application)
of CALIFORNIA-PACIFIC UTILITIES COMPANY,)
a California corporation, and KELSO YOUNG,)
individually and as executor of the will)
of Emma Carrie Young, also known as Emma)
C. Young, Deceased, Virginia Simkins and) Application No. 37798
Blanche Lance, doing business as)
Weaverville Water Works for an order)
authorizing Kelso Young, Virginia Simkins)
and Blanche Lance to sell their water)
system to California-Pacific Utilities)
Company.)

OPINION AND ORDER

California-Pacific Utilities Company, a California corporation, ^{1/} by the above-entitled application filed March 2, 1956, joins with Kelso Young, individually and as executor of the will of Emma Carrie Young, also known as Emma C. Young, deceased, Virginia Simkins and Blanche Lance, doing business as Weaverville Water Works, ^{2/} in asking the Commission to authorize Buyer to purchase and acquire the public utility water system operated by Sellers in Weaverville, Trinity County. Further, Sellers ask to be relieved of all public utility obligations in connection with the operation of their water system upon consummation of the proposed sale, and Buyer requests authority to operate the subject water system under the rates and rules now on file with the Commission for this utility system.

Sellers have been furnishing water service in the community of Weaverville, Trinity County, since prior to 1910. Although no certificate of public convenience and necessity for authority to operate this public utility water system has been issued by this

^{1/} Sometimes herein referred to as Buyer.

^{2/} Sometimes herein referred to as Sellers.

Commission, Sellers' water system has been operating under the Commission's jurisdiction since 1913. According to the application, the system furnishes water service to approximately 400 customers.

The consideration for the transfer is stated to be \$40,000, subject to certain adjustments, and is payable in cash on the closing date. The terms of the sale and transfer are set forth in an "Agreement for Sale of Water System," dated February 13, 1956, a copy of which is attached to the application.

The balance sheet of Weaverville Water Works as of December 31, 1955, attached to the application as Exhibit C, and Sellers' annual report to the Commission for the year 1954, show utility plant in service to be \$64,300.02 and the reserve for depreciation to be \$15,413.06, thus indicating a depreciated utility plant of \$48,886.96.

The reasons given for the proposed transfer are that Buyer is presently engaged in operating a public utility electric system in the area served by the Weaverville water system, and is familiar with the territory and needs of the present and prospective customers. The present owners of Weaverville Water Works desire to retire from active ownership, management and operation of the water system in view of the anticipated expansion which will require substantial financing which Buyer is in a better position to provide.

It is stated in the application that Sellers do not have any refundable customer's advances in aid of construction, and that all customer's deposits being held by Sellers will either be refunded prior to the date of actual transfer or will be transferred to and become the obligation for refund of Buyer.

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 a public hearing is not necessary,

that the proposed transfer will not be adverse to the public interest, and that the application should be granted; therefore,

IT IS HEREBY ORDERED as follows:

1. That Kelso Young, individually and as executor of the will of Emma Carrie Young, also known as Emma C. Young, deceased, Virginia Simkins and Blanche Lance may, on or after the effective date hereof and on or before September 30, 1956, sell and transfer the herein described public utility water properties to California-Pacific Utilities Company, a corporation, substantially in accordance with the instrument entitled "Agreement For Sale of Water System," a copy of which is attached to the application.
2. That the rates and rules of Kelso Young, Emma Carrie Young, also known as Emma C. Young, deceased, Virginia Simkins and Blanche Lance now on file with the Commission shall be refiled within thirty days after the date of actual transfer under the name of California-Pacific Utilities Company, a corporation, in accordance with the procedure prescribed by General Order No. 96, or, in lieu of such refileing, California-Pacific Utilities Company, a corporation, may file a notice of adoption of said presently filed rates and rules. No increase in the present rates and rules shall be made unless authorized by the Commission.
3. That on or before the date of actual transfer, Kelso Young, as an individual and as executor of the will of Emma Carrie Young, also known as Emma C. Young, deceased, Virginia Simkins and Blanche Lance shall refund all customers' 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 California-Pacific Utilities Company.
4. That on or before the date of actual transfer, Kelso Young, as an individual and as executor of the will of Emma Carrie Young, also known as Emma C. Young, deceased, Virginia Simkins and Blanche Lance shall transfer and deliver to California-Pacific Utilities Company, a corporation, and the latter shall receive and preserve, all records, memoranda, and papers pertaining to the construction and operation of the properties of Weaverville Water Works.
5. If the authority herein granted is exercised, Kelso Young, as an individual and as executor of the will of Emma Carrie Young, also known as Emma C. Young, deceased, Virginia Simkins and Blanche Lance, 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. That upon due compliance with all the conditions of this order, said Kelso Young, as an individual and as executor of the will of Emma Carrie Young, also known as Emma C. Young, deceased, Virginia Simkins and Blanche Lance 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 ten days after the date hereof.

Dated at San Francisco, California, this 22nd day of May, 1956.

John E. Wessels
President

Justin J. Casella
Raele Interscience

Maxwell
P. Hardy
Commissioners