

ORIGINALDecision No. 53318

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Peter Williams dba)
 Williams Water Service, and E. B.)
 Hicks, dba Hicks Water Company, for) Application No. 38059
 authority for Williams to sell and)
 Hicks to purchase a public utility)
 water system.)

OPINION AND ORDER

By this application filed May 23, 1956, Peter Williams^{1/} seeks authority to sell, and E. B. Hicks^{2/} to purchase, the water system known as Williams Water Service located approximately 4 miles south of the City of Bakersfield, Kern County.

The property proposed to be transferred consists of a parcel of land, a well and pumping plant and the facilities constituting the distribution system as set forth in Exhibit "A" attached to the application. The land is more particularly described as Lot 29, Tract 790,^{3/} Section 7, Township 30 South, Range 28 East, M.D.B. & M., Kern County.

The purchase price is stated to be \$5,000, payable \$500 on granting of authority to transfer and \$50 per month plus interest at the rate of 6 per cent on the balance of the purchase price.

Peter Williams, doing business as Williams Water Service, was found to be a public utility by Decision No. 52650, dated February 14, 1956, in Case No. 5656.

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- ^{1/} Sometimes hereinafter called Seller.
^{2/} Sometimes hereinafter called Buyer.
^{3/} The tract number as shown in the body of the application is stated to be 794. Counsel for applicant, however, advises that the correct number is 790 as shown in Exhibit "A".

E. B. Hicks and Ella Hicks, by Decision No. 45112, dated December 12, 1950, in Application No. 31534, were granted a certificate of public convenience and necessity to construct and operate a public utility water system in an area approximately 5 miles south of Bakersfield.

The estimated historical cost of the water system properties as of August 1, 1955, as shown in Exhibit No. 5, in Case No. 5656, is \$8,192 with a reserve for depreciation of \$3,718, resulting in an estimated depreciated historical cost of \$4,474. This cost includes a well and related pumping facilities to be retained by Peter Williams and which are indicated by the exhibit referred to above to have a depreciated historical cost of \$1,119. The other well and appurtenances are included with the properties being transferred.

Buyer states in the application that he is aware of the Commission's Decision No. 52650 and the improvements ordered therein and will immediately start to provide an additional source of supply by digging a new well and providing the necessary pumping facilities. However, Buyer also states that he is unable to expend necessary additional sums to fully comply with the requirements of said decision.

Counsel for applicant has advised by a letter dated June 13, 1956, that Seller will pay back at the time of transfer all overpayments as ordered in Decision No. 52650.

The reasons given for the proposed transfer of public utility properties are that Seller cannot fully comply with the requirements of Decision No. 52650 because of extreme financial hardship and Seller knows of no other firm or company who is able or willing to supply his water users with adequate water. Buyer has for many years, and does now, own and operate a public utility and is financially able to take over the operations of this water system.

Buyer should understand that in acquiring this water system he is under an obligation to provide facilities for adequate water service; therefore, E. B. Hicks will be directed to install the new well and pumping facilities as he has indicated he is financially able to do. However, since Buyer states that he is unable to expend the additional sums necessary to install the mains as required in Decision No. 52650, he will be relieved of this specific requirement but will be required to submit a schedule of improvements for the distribution system that will enable Buyer to provide service at least equal to that set forth in General Order No. 103, and the following order will so provide.

The action taken herein shall not be construed as a finding of 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, that the money, property, or labor to be procured or paid for as set forth in the application is reasonably required by Buyer; therefore,

IT IS HEREBY ORDERED as follows:

1. That Peter Williams may on or after the effective date of this order, and on or before July 31, 1956, sell and transfer to E. B. Hicks the public utility properties described in Exhibit "A" attached to the application in accordance with the terms and conditions set forth in the application.

2. That E. B. Hicks is authorized to incur the indebtedness in the total amount of \$4,500 in accordance with the terms set forth in the application.

3. That the rates of Peter Williams as authorized by Decision No. 52650 and as set forth in Appendix A attached to this order shall be filed within ten days from the actual date of transfer

under the name of E. B. Hicks, together with rules and tariff service area map acceptable to this Commission and in accordance with the procedure prescribed by General Order No. 96. Such rates and tariff service area map rules shall become effective upon five days' notice to the Commission and to the public after filing as herein above provided.

4. That on or before the date of actual transfer, Peter Williams shall refund all over-payments specified in Decision No. 52650 and shall within ten days thereafter notify this Commission in writing that such refunding has been completed.

5a. That E. B. Hicks shall, within sixty days after the date of actual transfer, develop and place in operation an additional source of water supply by drilling a new well or wells.

b. That E. B. Hicks shall, within ten days thereafter, notify the Commission in writing that the well or wells have been placed in operation as hereinabove ordered.

6. That E. B. Hicks shall, within one hundred twenty days after the date of the actual transfer, submit to this Commission a schedule of improvements for the distribution system that will enable him to provide service at least equal to that set forth in General Order No. 103.

7. That on or before the date of actual transfer of the physical properties herein authorized, Peter Williams shall transfer and deliver to E. B. Hicks, and the latter shall receive and preserve all records, memoranda and papers pertaining to the construction and operation of the properties of Williams Water Service.

8. If the authority granted herein is exercised, Peter Williams shall, within five days thereafter, notify this Commission in writing of the date of such completion of the property transfer herein authorized and of his compliance with the conditions hereof.

9. That upon due compliance with the conditions set forth in Paragraphs 1, 4, 7 and 8 of this order, said Peter Williams 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 authority herein granted to transfer the public utility properties will become effective when E. B. Hicks has paid the minimum fee prescribed in Section 1904(b) of the Public Utilities Code, which fee is \$25. In other respects the effective date of this order shall be ten days after the date hereof.

Dated at San Francisco, California, this 5th day of July, 1956.

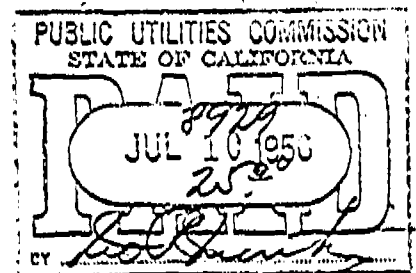
Robert E. Mitchell
President

Justin J. Caswell

Raul Gutierrez

Matthew D. Rose

R. Hunt
Commissioners



APPENDIX A

Schedule No. 2R

RESIDENTIAL FLAT RATE SERVICEAPPLICABILITY

Applicable to all residential water service furnished on a flat rate basis.

TERRITORY

The unincorporated community known as the Ephrum Avenuc area located approximately 4 miles south of the City of Bakersfield, Kern County.

RATES

| | <u>Per 3/4-Inch Service Connection per Month</u> |
|--|--|
| For a single family residence on a single lot | \$4.50 |
| For each additional residence on the same premises served from the same service connection | 3.00 |