

Decision No. 53571**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Paul R. Wagner,)
 dba MIDWAY WATER SERVICE, a public)
 utility, and CITY WATER COMPANY)
 OF BANNING, a corporation and a) Application No. 38050
 public utility, for an order)
 authorizing the sale and transfer)
 of assets and for a certificate of)
 public convenience and necessity.)

OPINION AND ORDER

By this application, filed May 22, 1956, Paul R. Wagner,^{1/}
 doing business as Midway Water Service, and City Water Company of
 Banning,^{2/} a corporation, jointly request the necessary authorization
 of this Commission for Seller to sell and transfer to Buyer the
 assets of the public utility water system operated by Seller near
 the City of Banning, County of Riverside. The terms of the proposed
 transfer are set forth in a document entitled, "Memorandum of
 Agreement" dated May 14, 1956, a copy of which is attached to the
 application as Exhibit "E".

The property proposed to be transferred includes all real
 and personal property, including water rights, rights of way, fran-
 chises, permits and operating rights of the utility, as more par-
 ticularly described in Exhibit "B" attached to the application. The
 consideration for the transfer is stated to be \$6,000 which is to be
 paid in cash.

A certificate of public convenience and necessity to oper-
 ate a public utility water system was granted to Paul R. Wagner by the
 Commission in Decision No. 39864 issued January 13, 1947, in

^{1/} Sometimes herein called Seller.
^{2/} Sometimes herein called Buyer.

Application No. 27687. The area served by Seller, as shown on a map, Exhibit "A" of the application, is adjacent to the westerly boundary of the territory served by Buyer.

The financial statement attached to the application as Exhibit "D" and Seller's annual report to the Commission for the year ending December 31, 1955, both show the total utility plant as of that date to be \$10,450, and the reserve for depreciation to be \$500, thus indicating a net utility plant of \$9,950.

The reasons given for the proposed transfer are that Seller has found it difficult and uneconomic to operate this comparatively small water system and that he now resides outside of the State of California.

As the distribution facilities of Seller's and Buyer's distribution systems already have been interconnected they may be operated as an integrated system. Buyer proposes to make effective, in the consolidated area, its rates and rules presently on file with this Commission.

A comparison of the rate schedules in effect for the two systems shows that the monthly meter minimum charge is \$2 in each case, and for corresponding sizes of larger meters, the rates in effect for Buyer's system are somewhat higher. However, since the quantity rates for the latter are appreciably lower, a reduction in charges, in most instances, would result from applying Buyer's rates. Under the circumstances, the order which follows will provide for the application of the presently effective rates and rules of City Water Company of Banning in the area proposed to be transferred. Any increases in charges that may result therefrom are hereby found to be justified.

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 a public hearing is not necessary, that the proposed transfer will not be adverse to the public interest, that any increase in charges which may result from the application of Buyer's rates and rules in the service area hereinafter authorized to be transferred are justified, and that the application should be granted; therefore,

IT IS HEREBY ORDERED as follows:

1. That Paul R. Wagner may, on or after the effective date hereof and on or before November 30, 1956, sell and transfer the public utility water system properties, described in Exhibit "B" attached to the application, to City Water Company of Banning, a corporation, substantially in accordance with the proposed Memorandum of Agreement attached to the application as Exhibit "E".

2. That City Water Company of Banning, on and after the date of actual transfer, is authorized and directed to charge in the service area acquired under the authorization herein granted its present rates and to apply in such area its rules presently on file with the Commission.

3. That City Water Company of Banning, if it acquires the hereinabove described properties, shall revise its presently effective tariff schedules to provide for the application of its rates and rules 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 on five days' notice to the Commission and the public after filing as hereinabove provided.

4. That on or before the date of actual transfer, Paul R. Wagner shall refund all customers' deposits and customers' advances for construction which are subject to refund or which would be subject to future refund. Any such unrefunded deposits and advances shall be transferred to and become the obligation for refund of City Water Company of Banning.

5. That on or before the date of actual transfer, Paul R. Wagner shall transfer and deliver to City Water Company of Banning and the latter shall receive and preserve all records, papers and memoranda pertaining to the construction and operation of the properties of Paul R. Wagner, doing business as Midway Water Service.

6. That if the authority herein granted is exercised, Paul R. Wagner shall, within thirty 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.

7. That upon due compliance with all the conditions of this order, Paul R. Wagner shall stand relieved of all further public utility obligations 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 August, 1956.

[Signature]
President

[Signature]

[Signature]

[Signature]

Commissioners