

ORIGINAL

Decision No. 53823

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of JOHN STURNACLE, an individual, and SOUTHERN CALIFORNIA WATER COMPANY for an order or orders (a) authorizing the sale and transfer to Southern California Water Company of the properties of the John Sturnacle water system, and (b) authorizing Southern California Water Company to purchase said properties.

Application No. 38337

OPINION AND ORDER

This is an application for an order for John Sturnacle to transfer a small public utility water system to Southern California Water Company.

John Sturnacle is engaged in the operation of a water system serving approximately 85 customers in the County of San Bernardino, near Barstow. He has reported his net investment in utility plant at \$15,626 as of June 30, 1956 and his revenues for the first six months of the year at \$911, with a net loss of \$248.

It appears that John Sturnacle has now found it necessary to retire from the operation of the water system and he has made arrangements to sell his properties to Southern California Water Company for the agreed sum of \$8,000. Southern California Water Company is presently engaged in operating a public utility water system supplying approximately 2,200 customers in and near Barstow. It intends to utilize its present personnel to operate the Sturnacle properties, although the two properties are not interconnected. It reports that it will adopt the rate schedules now in effect on the Sturnacle system.

Southern California Water Company will be authorized and directed to refile as a part of its presently filed consolidated tariff schedules the rates now on file for John Sturnacle under the name of Sturnacle Water Company and to apply in the service area hereinafter authorized to be acquired its presently filed utility-wide rules and its rate schedules applicable to construction and other temporary flat rate service, fire sprinkler service, and service to company employees. Any increase in charges which may result from the application of the rules and the above-mentioned rate schedules of Southern California Water Company in the areas hereinafter authorized to be transferred and served by it are hereby found to be justified. Otherwise, no changes in rates for water service will be authorized in connection with the transfer of properties.

From a review of this application it is our opinion, and we so find, that the proposed transfer will not be adverse to the public interest and that it should be approved by an ex parte order in this proceeding; therefore,

IT IS HEREBY ORDERED as follows:

1. John Sturnacle may sell and transfer to Southern California Water Company the public utility water system referred to in this application under the terms set forth therein.
2. Southern California Water Company may acquire said properties and render water service to the public in the territory now served by John Sturnacle. In acquiring such properties, Southern California Water Company shall assume the liabilities of John Sturnacle, including agreements applicable to consumers' advances for construction, if any.

3. On or before the date of actual transfer John Sturnacle shall refund all deposits which the customers are entitled to have refunded. Any unrefunded deposits shall be transferred to and shall become the obligation for refund of Southern California Water Company.

4. If the authority herein granted is exercised, John Sturnacle, within 30 days thereafter, shall notify the Commission in writing of the date of completion of the transfer and of his compliance with the conditions of this order.

5. Southern California Water Company, on and after the date of actual transfer, is authorized and directed to charge in the service area acquired under the authorization herein granted the rates presently on file by John Sturnacle under the name of Sturnacle Water Company and to apply in said service area its own presently filed rules, and its own presently filed rate schedules applicable to construction and other flat rate service, fire sprinkler service and service to company employees.

6. Southern California Water Company, if it acquires the hereinabove described properties, within 30 days thereafter shall refile the rates of John Sturnacle under its own name and shall revise its presently effective tariff schedules to provide for the application of its rules and its rates authorized hereinabove 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 tariff sheets shall become effective upon five days' notice to the Commission and to the public after filing as hereinabove provided.

7. Upon due compliance with all conditions of this order, John Sturnacle shall stand relieved of all further utility operations and liabilities in connection with the operation of the public utility water system herein authorized to be transferred.

8. The action taken herein shall not be construed to be a finding of the value of the properties herein authorized to be transferred nor as indicative of amounts to be included in a rate base for the purpose of determining just and reasonable rates.

9. Southern California Water Company shall charge the net cost of acquiring the properties under the authorization herein granted to Account 391, Utility Plant Purchased. Within six months after the acquisition of said properties and before distributing such net cost to primary plant and other accounts, it shall file with the Commission for review the proposed journal entries to accomplish such distribution.

10. The authority herein granted will become effective twenty days after the date hereof.

Dated at San Francisco, California, this 1st. day of October, 1956.

John E. Sturnacle
 President

Justus F. Caswell

Paul L. Winterrowd

Thomas J. Dade

R. H. Huntz
 Commissioners