

Decision No. 54138**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 LORETO MEGNA, WILLIAM D. DICKEY and)
 FLORENCE A. DICKEY to sell and) Application No. 38457
 transfer certificate of convenience)
 and necessity.)

OPINION AND ORDER

In this application, filed on September 28, 1956, Loreto Megna seeks authority to sell and transfer, and William D. Dickey and Florence A. Dickey seek authority to purchase, the assets and properties of the water system known as Loreto Megna Company which supplies public utility water service in an unincorporated area known as Tregallis Tract, southeast of the city limits of the City of Antioch, Contra Costa County.

The properties proposed to be transferred include all real and personal property of Loreto Megna used in the business of supplying water to the Tregallis Tract. The properties, as shown in the utility's annual report to the Commission for the year 1955, include a well, a pump, a 15,000-gallon storage tank, approximately 5,400 feet of mains varying in size from 1½ to 3 inches, 50 domestic and commercial services and 43 meters. Also included in the properties to be transferred are three parcels of land more particularly described in a copy of the grant deed attached to the application as Exhibit "A". The consideration for the transfer of the properties is stated to be \$5,000, and the terms of payment are \$2,500 down with the balance covered by a note secured by a deed of trust. The note is to be repaid in monthly payments of \$75 each or more, including interest at 6 per cent per annum.

The present owner of the water system was granted a certificate of public convenience and necessity to operate a public utility water system by this Commission in its Decision No. 32554, dated November 14, 1939, in Application No. 22727. ←

The balance sheet of Loreto Megna, dated August 31, 1956, (Exhibit "B" of the application) shows utility plant and reserve for depreciation of \$8,214.85 and \$2,762.74, respectively, thus indicating a depreciated plant of \$5,452.11 for the water system properties proposed to be transferred.

The application states that Loreto Megna desires to sell the public utility water system for reasons of advanced age and failing health.

Exhibit "C" of the application is a financial statement of William D. Dickey as of August 31, 1956, which statement shows a net worth of \$23,218.87.

Upon investigation by the Commission staff it appears that William D. Dickey and Florence A. Dickey have the resources to finance the purchase of water system and to carry on its operation as a public utility.

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 by the ← issue of the note hereinafter authorized is reasonably required by applicants William D. Dickey and Florence A. Dickey for the purpose specified herein, and that such purpose is not, in whole or in part, reasonably chargeable to operating expense or to income, therefore,

IT IS HEREBY ORDERED that:

1. Loreto Megna, on or after the effective date hereof and on or before May 31, 1957, may sell and transfer all of his water utility properties referred to herein, known as Loreto Megna Company, to William D. Dickey and Florence A. Dickey, pursuant to the terms as outlined in the application.
2. William D. Dickey and Florence A. Dickey, after the effective date hereof and on or before May 31, 1957, may issue a promissory note in the principal amount of \$2,500 in part payment for the properties herein authorized to be transferred and may execute a deed of trust as security therefor, and shall, after the effective date hereof and on or before May 31, 1957, file one certified copy each of said note and deed of trust, and any other instrument by which the transfer is effected.
3. The rates of Loreto Megna, doing business as Loreto Megna Company, now on file with the Commission, shall be refiled within thirty days from the date of actual transfer under the name of William D. Dickey and Florence A. Dickey, in accordance with the procedure prescribed by General Order No. 96, or, in lieu of such refiling, said William D. Dickey and Florence A. Dickey may file a notice of adoption of said presently filed rates. No increase in present lawfully filed rates shall be made unless otherwise properly authorized by this Commission.
4. William D. Dickey and Florence A. Dickey shall file with this Commission within thirty days after the date of actual transfer, four sets of up-to-date rules, together with four copies of a tariff service area map, acceptable to the Commission and in conformity with the Commission's General Order No. 96. Such rules and tariff service area map shall become effective upon five days' notice to the Commission and to the public after filing as hereinabove provided.
5. On or before the date of actual transfer, Loreto Megna shall refund all customers' deposits and all advances for construction which are subject to refund. Any unrefunded deposits and advances for construction shall be transferred to and become the obligation for refund of William D. Dickey and Florence A. Dickey.
6. If the authority herein granted is exercised, Loreto Megna, within thirty days thereafter, shall notify this Commission in writing of the date of such completion of the property transfer herein authorized.
7. On or before the date of actual transfer, Loreto Megna shall transfer and deliver to William D. Dickey and Florence A. Dickey and the latter shall receive and

preserve all records, memoranda and papers pertaining to the construction and operation of the properties hereinabove authorized to be transferred.

- 8. Upon due compliance with all conditions of this order said Loreto Megna 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.
- 9. The authority herein granted to issue a note will become effective when William D. Dickey and Florence A. Dickey have paid the minimum fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$25.

In all other respects the effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 27th day of NOVEMBER, 1956.

[Signature]
President

[Signature]

[Signature]

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Commissioners

