

ORIGINAL

Decision No. 55205

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
JOSEPH H. SANDERS (SANDERS WATER)	
COMPANY) as prospective seller and)	
the TRUCKEE PUBLIC UTILITY DISTRICT,)	Application No. 39046
as prospective purchaser, for)	
authority to sell the SANDERS WATER)	
COMPANY.)	

OPINION AND ORDER

In this application, filed May 3, 1957, Joseph H. Sanders and Verna May Sanders,^{1/} his wife, doing business as Sanders Water Company, seek authority from this Commission to sell the physical properties of their water system to Truckee Public Utility District,^{2/} which joins in the application.

Sellers and their predecessors have been furnishing water service to customers located adjacent to and south of Burckhalter Avenue, Truckee, California, since prior to 1912. Although no certificate of public convenience and necessity for authority to operate this public utility water system has been issued by this Commission, this system has been operated under the Commission's jurisdiction since 1917 when rates were filed by Joseph H. Sanders and Lee Gebhart under the name of Sanders Gebhart Water Company. The application states that water service is currently being furnished to approximately 23 customers.

From information included in correspondence and other Commission records, it is noted that Lee Gebhart died in 1932 and that

^{1/} Sometimes herein called Sellers.
^{2/} Sometimes herein called District.

the one-fourth interest he owned in the water system was inherited by his wife, Hazel Gebhart. The latter retained her interest in the properties until her death in 1953 when, pursuant to a court order, her one-fourth interest was sold by the heirs of her estate to Joseph H. Sanders. Since that time Joseph H. Sanders has operated the water system.

Authority for any of the foregoing transfers in ownership of this utility has not been applied for or heretofore granted by this Commission, notwithstanding the clear provisions of Section No. 851 of the Public Utilities Code.

The property proposed to be transferred consists of distribution mains, fixtures, equipment, and rights of way and easements shown on a map marked Exhibit "A", a copy of which is attached to the application. The terms and conditions under which the properties are proposed to be transferred are set forth in an agreement, a copy of which is attached to the application as Exhibit "D". This agreement provided that the water system properties are to be transferred to District for \$1,000 to be paid in cash.

The total cost of the properties to be transferred, as reported in Sellers' annual report to the Commission for the year 1956, is \$3,400. The corresponding depreciation reserve applicable to these properties is not separately indicated in the report.

The reasons given for the proposed transfer are that the system water supply, now being obtained from a Southern Pacific Company tank, is subject to discontinuance due to changes in operations of the railroad; since chlorination of the water supply has been discontinued by the Southern Pacific Company, it no longer meets requirements of public health authorities; District is capable of serving Sellers' present customers with water of satisfactory quality;

Sellers' water system has been operated at a loss for the past several years; and the present operator is in poor health and no longer resides in the area.

According to the agreement, Exhibit "D", there are no customers' deposits or advances for construction outstanding which are subject to refund.

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

IT IS HEREBY ORDERED that:

1. The transfer of the one-fourth interest in the public utility water system known as Sanders Gebhart Water Company by the estate of Lee Gebhart, deceased, to Hazel Gebhart, his wife, the transfer of the same one-fourth interest by the estate of Hazel Gebhart to Joseph H. Sanders pursuant to court order, and the transfer, by Joseph H. Sanders and Verna May Sanders, his wife, to Truckee Public Utility District, of the public utility water system properties described in the application substantially in accordance with the agreement, a copy of which is attached to the application as Exhibit "D", are hereby authorized.

2. On or before the date of actual transfer, Joseph H. Sanders and Verna May Sanders shall refund all customers' deposits and advances for construction which are subject to refund, if any, and within thirty days thereafter, shall notify the Commission in writing of the date of completion of such refunding.

3. If the authority herein granted is exercised, Joseph H. Sanders and Verna May Sanders 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 terms hereof.

4. Upon due compliance with all of the conditions of this order, said Joseph H. Sanders and Verna May Sanders, 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 authority herein granted will become effective twenty days after the date hereof.

Dated at San Francisco, California, this 2nd day of JULY, 1957.

[Signature]
President
[Signature]
[Signature]
[Signature]
[Signature]
Commissioners