Decision No. 56736

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of

FRANK E. OCHINERO AND JAMES R. OCHINERO, doing business as HACIENDA HEIGHTS WATER SYSTEM.

for authority to sell to

C. WESLEY BIRD and JENNIE C. BIRD, husband and wife

all of their right, title and interest in the water system now owned by Frank E. Ochinero and James R. Ochinero, and known as the HACIENDA HEIGHTS WATER SYSTEM, in the City of Fresno, State of California, and to transfer Certificate of public convenience and necessity.

Application No. 39953

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## OPINION AND ORDER

Frank E. Ochinero and James R. Ochinero, doing business as Hacienda Heights Water System, seek authority by this application filed March 28, 1958, to sell and transfer their public utility water system to C. Wesley Bird and Jennie C. Bird, husband and wife, who join in the application. Claude Stroupe, an individual, and Kenney Homes, Inc., a corporation, also join in the application as interested parties.

 $<sup>\</sup>frac{1}{2}$  Sometimes herein called Sellers.

 $<sup>\</sup>frac{2}{3}$  Sometimes herein called Purchasers.

<sup>3/</sup> Sometimes herein called Subdividers.

Escrow instructions under which the proposed transfer is to be consummated are set forth in an instrument entitled "Agreement of Exchange", a copy of which is attached to the application as Exhibit "C". The properties to be conveyed to Purchasers include a parcel of land, well, tank, pumping plant, mains and other miscellaneous water system facilities. The consideration for the transfer consists of certain real property stated to have a market value of \$14,400 and \$100 in cash. The escrow instructions provide that this transfer consideration is to be delivered to Subdividers, apparently to discharge an obligation of Sellers to Subdividers.

The utility's annual report to the Commission for the year ending December 31, 1957, shows total utility plant of \$13,422.92 and a depreciation reserve of \$360.67, indicating a net utility plant of \$13,062.25.

The water system proposed to be transferred is located in the City of Fresno, Fresno County. The system was constructed during 1957 pursuant to a certificate of public convenience and necessity granted Sellers by Decision No. 55002, dated May 21, 1957, in Application No. 38324. Commission records indicate that as of the end of 1957 the utility served approximately 60 customers.

The reasons given for the proposed transfer are that Sellers desire to fulfill the terms of an obligation to Subdividers by conveyance of the water system, and Subdividers, not desiring to engage in the business of operating a water utility, have negotiated the proposed transfer to Purchasers.

The subject water system, if acquired by Purchasers, is to be operated by them in conjunction with another water utility, known as Wesmilton Water System, which they own and operate near Selma, Fresno County.

A. 39953 AG 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. Frank E. Ochinero and James R. Ochinero may, on or after the effective date hereof and on or before November 30, 1958, sell and transfer their public utility water system, known as Hacienda Heights Water System, to C. Wesley Bird and Jennie C. Bird, substantially in accordance with the terms and conditions set forth in escrow instructions entitled "Agreement of Exchange" attached to the application as Exhibit "C". The rates and rules of Frank E. Ochinero and James R. Ochinero, now on file with this Commission, shall be refiled within thirty days from the date of transfer under the names of C. Wesley Bird and Jennie C. Bird, in accordance with the procedure prescribed by General Order No. 96, or in lieu of such refiling, C. Wesley Bird and Jennie C. Bird may file a notice of adoption of said presently filed rates and rules. No increases in the presently filed rates and rules shall be made unless; otherwise properly authorized by this Commission. 100 2 100 3. On or before the date of actual transfer, Frank E. Ochinero and James R. Ochinero shall refund all customers' deposits and all advances for construction, if any, which are subject to refund. Any such unrefunded deposits and advances shall be transferred to and become the obligation for refund of C. Wesley Bird and Jennie C. Bird. -3-

- 4. If the authority herein granted is exercised, Frank E. Ochinero and James R. Ochinero 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 conditions hereof.
- 5. On or before the date of actual transfer of the physical properties herein authorized, Frank R. Ochinero and James R. Ochinero shall transfer and deliver to C. Wesley Bird and Jennie C. Bird and the latter shall receive and preserve all records, memoranda and papers pertaining to the construction and operation of the properties herein authorized to be transferred.
- 6. Upon due compliance with all the conditions of this order, Frank E. Ochinero and James R. Ochinero shall stand relieved of all further public utility obligations and liabilities in connection with the construction and operation of the public utility water system properties herein authorized to be transferred.

The effective date of this order shall be twenty days after the date hereof.

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