

ORIGINALDecision No. 57638

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the application)
of UMBSSEN, KERNER & STEVENS, a)
corporation, owner of the SEA)
HAVEN WATER SYSTEM, for an order)
permitting it to sell certain)
property to LARRY H. MARKS, JR.)

Application No. 40393
(Amended)

OPINION AND ORDER

Umbesen, Kerner and Stevens,^{1/} a corporation, by application filed August 29, 1958, and amended October 6, 1958, seeks authority from the Commission to sell and transfer its public utility water system, known as Sea Haven Water System, to Larry H. Marks, Jr.,^{2/} who joins in the application.

Provided that the Commission approves the proposed transfer and also approves the transfer to Purchaser of a water system owned by Bertha S. Hamilton, Purchaser requests authority to consolidate the two systems. An application for authority to transfer Bertha S. Hamilton's water utility, known as Inverness Water Works, was filed with the Commission on July 16, 1958 (Application No. 40257).

Sea Haven Water System is located in an unincorporated area adjacent to the westerly shore of Tomales Bay, approximately 1½ miles northerly of the community of Inverness, Marin County. Commission records show that, as of the end of 1957, the utility served approximately 26 customers.

The application states that the consideration for the transfer is to be the assumption by Purchaser of an outstanding obligation to Grandi Company in the amount of \$1,648.33, and also

^{1/} Sometimes hereinafter known as Seller
^{2/} Sometimes hereinafter known as Purchaser

outstanding labor bills not to exceed \$300. As of September 30, 1958, such labor bills were stated to total \$93.45. Upon investigation by the Commission staff it was found that the obligation to Grandi Company is indebtedness for open-account purchases of water pipe for the water system.

The utility's annual report to the Commission for the year ended December 31, 1957, shows utility plant of \$9,763.24. No depreciation expense has been charged and therefore no depreciation reserve has ever been established.

A certificate of public convenience and necessity to construct and operate the subject water system was issued to Seller by Decision No. 43737, dated January 24, 1950, in Application No. 30681.

It has been concluded from an investigation by an engineer of the Commission's staff that Purchaser is capable of acquiring the water system and continuing its operation as a public utility. Exhibit "A" attached to the application is a financial statement of Purchaser and shows a net worth of \$271,390 as of November 19, 1957.

Purchaser is presently seeking to acquire the nearby Inverness Water Works^{3/} and, should the transfer of Inverness be authorized, requests authority to consolidate the operation of the two systems to effect greater efficiency. Purchaser, as an individual, will need no authority to consolidate the operations of the two systems and may consolidate the filed tariffs of the two systems by an appropriate advice letter submitted in accordance with the procedure prescribed by General Order No. 96.

^{3/} Sometimes hereinafter known as Inverness.

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. Umbsen, Kerner & Stevens, a corporation, may, on or after the effective date hereof and on or before April 30, 1959, sell and transfer the public utility water system known as Sea Haven Water System to Larry H. Marks, Jr., substantially in accordance with the terms and conditions outlined in the application herein.

2. The rates and rules of Umbsen, Kerner & Stevens, a corporation, now on file with this Commission, shall be refiled within thirty days from the date of actual transfer under the name of Larry H. Marks, Jr., in accordance with the procedure prescribed by General Order No. 96; or in lieu of such refiling, Larry H. Marks, Jr., 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 properly authorized by the Commission.

3. On or before the date of actual transfer, Umbsen, Kerner & Stevens, a corporation, 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 Larry H. Marks, Jr.

4. If the authority herein granted is exercised, Umbsen, Kerner & Stevens, a corporation, shall, within thirty days thereafter, notify this Commission in writing of the date of such

completion of the property transfer herein authorized and of its compliance with the conditions hereof.

5. On or before the date of actual transfer of the physical properties herein authorized, Umsen, Kerner & Stevens, a corporation, shall transfer and deliver to Larry H. Marks, Jr., 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, Umsen, Kerner & Stevens, a corporation, 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 effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 25th day of November, 1958.

E. L. ...
 President

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Commissioners