

ORIGINALDecision No. 57800

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of PEARL N. SEGERSTROM to }
 transfer, as a gift to her daughters, }
 HELEN C. NIETFELD and MARJORIE L. }
 COFFILL, her one-half interest in and } Application No. 40676
 to RIVERBANK WATER COMPANY, a public }
 utility water distribution system. }

OPINION AND ORDER

By this application, filed on December 17, 1958, Pearl N. Segerstrom seeks authorization to transfer her one-half interest in the public utility water system known as Riverbank Water Company to her copartners, Helen C. Nietfeld and Marjorie L. Coffill, who are also her daughters, and who join in the application.

Riverbank Water Company serves the City of Riverbank, the unincorporated community of Hughson, and adjacent areas, in Stanislaus County. Commission records show that, at the end of 1957, the utility served approximately 1,640 customers. The utility's annual report to the Commission for the year ended December 31, 1957 shows utility plant of \$192,295.06, a depreciation reserve of \$130,083.07, indicating a net utility plant of \$62,211.99.

The operations of the water system were commenced prior to 1912 and no certificate of public convenience and necessity to operate the public utility water system has ever been requested of or issued by this Commission. After ownership of the system had passed through several transfers, it was acquired by Eric J. Segerstrom under authority granted by Decision No. 21276, dated June 25, 1929, in Application No. 15704. After his death on March 13, 1950, a portion of his estate, including the subject water system, was distributed by Decree of Partial Distribution entered in the Tuolumne County Superior

Court on December 28, 1951. As provided by the will of the decedent, one-half of the water system was distributed to Pearl N. Segerstrom and a one-quarter interest each to Helen C. Nietfeld and Marjorie L. Coffill. A copy of the said decree is attached to the application as Exhibit "D." Through inadvertence, no application to this Commission has previously been filed to request authorization of the distribution.

The application states that the proposed transfer is to be by gift, without any consideration passing therefor except love and affection. A copy of a proposed instrument effecting the transfer, entitled "Deed of Gift," is attached to the application as Exhibit "A." It is proposed that the gift of Pearl N. Segerstrom's interest in the system be split equally between two calendar years, preferably the end of the year 1958 and the beginning of the year 1959, so as to minimize gift taxes on such transfers. For this reason authority for the transfer will be granted effective on the date hereof.

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 public utility water system, known as Riverbank Water Company, to Pearl N. Segerstrom, Marjorie L. Coffill and Helen C. Nietfeld under the terms of the instrument entitled "Decree of Partial Distribution," dated December 28, 1951, a copy

of which is attached to the application as Exhibit "D," is hereby authorized.

2. Pearl N. Segerstrom may, on or after the effective date hereof and on or before June 30, 1959, transfer her one-half interest in the public utility water system, known as Riverbank Water Company, to Marjorie L. Coffill and Helen C. Nietfeld in accordance with the terms and conditions of an instrument entitled "Deed of Gift," a copy of which is included in the application as Exhibit "A."

3. On or before the date of actual transfer, Pearl N. Segerstrom, Marjorie L. Coffill and Helen C. Nietfeld 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 of Marjorie L. Coffill and Helen C. Nietfeld.

4. The rates and rules of Marjorie L. Coffill, executrix of the estate of Eric John Segerstrom, deceased, shall be refiled within thirty days from the date of actual transfer under the names of Marjorie L. Coffill and Helen C. Nietfeld, in accordance with the procedure prescribed by General Order No. 96, or in lieu of such refiling, Marjorie L. Coffill and Helen C. Nietfeld 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 the Commission.

5. If the authority herein granted is exercised, Pearl N. Segerstrom shall, within thirty days thereafter, notify this Commission, in writing, of the date of such completion of the property transfer herein authorized and of her compliance with the conditions hereof.

6. On or before the date of the actual transfer of the physical properties herein authorized, Pearl N. Segerstrom shall transfer and

deliver to Marjorie L. Coffill and Helen C. Nietfeld, 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.

7. Upon due compliance with all the conditions of this order, Pearl N. Segerstrom 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 the date hereof.

Dated at San Francisco, California, this 30th day of December, 1958.

E. L. Fox
President
W. E. Mitchell
Samuel Untermyer
Walter J. ...
Theodore J. ...
Commissioners