

ORIGINALDecision No. 58220

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Petition of)
 M. F. PHILLIPS and ARA PHILLIPS,)
 his wife, doing business as)
 PHILLIPS WATER COMPANY, for an)
 Order Authorizing the Sale of)
 Assets of the said PHILLIPS WATER)
 COMPANY to the Earlimart Public)
 Utility Dist., a public utility)
 district. }

Application No. 40814

OPINION AND ORDER

M. F. Phillips and Ara Phillips, ^{1/} individuals, doing business as Phillips Water Company, by application filed February 9, 1959, seek authority to sell and transfer their public utility water system to Earlimart Public Utility District, ^{2/} which joins in the application.

The subject water system is located in the unincorporated community of Earlimart, Tulare County. Commission records indicate that the utility served approximately 25 customers as of December 31, 1957.

The terms and conditions of the proposed transfer are set forth in an instrument entitled "Option Agreement", a copy of which is attached to the application as Exhibit "C". This agreement, dated October 6, 1958, provides that Sellers are to transfer to District all physical assets, together with all easements, used in conjunction with the water system.

The consideration for the transfer is to be the sum of \$7,000, which sum is to be paid into escrow with instructions that

^{1/} Sometimes hereinafter called "Sellers".
^{2/} Sometimes hereinafter called "District".

said sum is to be paid to Sellers upon approval of the sale and transfer by this Commission and upon delivery to District of a policy of title insurance, together with a proration of taxes on the property to be transferred as of the date of the exercise of the option.

The application states that District desires to acquire Sellers' water system and all other water systems now existing and operating within its boundaries, with the intention of integrating and improving them, and that it expects to expend approximately \$85,000 for this project. It is stated that such improvements would be for the benefit and welfare of inhabitants of the area, but could not be financed by Sellers.

All of Sellers' customers are stated to be within District's boundaries. The application alleges that said customers will suffer no disruption of service, other than that normally associated with the improvement or expansion of service facilities.

The subject water system was established pursuant to a certificate of public convenience and necessity granted to Sellers by Decision No. 43738, dated January 24, 1950, in Application No. 29484.

The utility's annual report to the Commission for the year ended December 31, 1957, shows utility plant, as of that date, in the amount of \$6,973.69, and depreciation reserve in the amount of \$2,016.08, indicating net utility plant in the amount of \$4,957.61.

The action taken herein shall not be construed to be a finding of the value of the property 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. M. F. Phillips and Ara Phillips may, on or after the effective date hereof and on or before November 30, 1959, transfer the herein-described public utility properties to Earlimart Public Utility District in accordance with the terms and conditions set forth in the instrument entitled "Option Agreement", a copy of which is attached to the application as Exhibit "C".

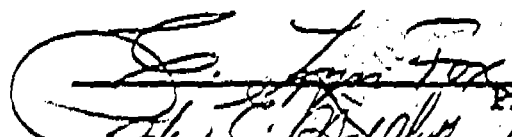
2. On or before the date of actual transfer, M. F. Phillips and Ara Phillips shall refund all customers' deposits and advances for construction which are subject to refund, if any, and within thirty days thereafter shall notify this Commission in writing of the date of the completion of such refunding.


3. If the authority herein granted is exercised, M. F. Phillips and Ara Phillips 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.

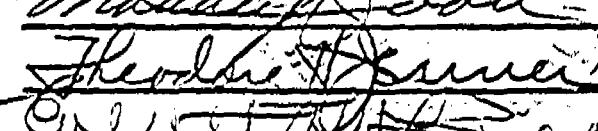
4. Upon due compliance with the conditions of this order, M. F. Phillips and Ara Phillips shall stand relieved of all further public utility obligations and liabilities in connection with the operation of the public utility properties herein authorized to be transferred.

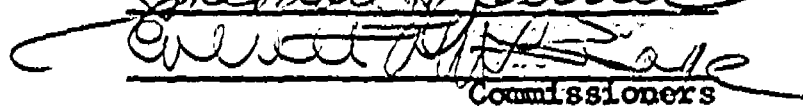
The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 7th day of April, 1959.



President


M. F. Phillips


Ara Phillips


Commissioners