

**ORIGINAL**

Decision No. 59480

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of

A. L. AND JEAN L. VINCENT, dba  
VINCENT WATER COMPANY,

for authority to transfer their assets,  
business and certificate of public  
convenience and necessity acquired by  
Decision No. 40017, dated March 4,  
1947, in Application No. 28085, to  
CERES WATER WORKS, INC., and of

CERES WATER WORKS, INC.,

for authority to issue its stock.  
(Sections 816-830 and 851-853 of  
the Public Utilities Code).

Application No. 41729

O P I N I O N

This is an application for an order of the Commission  
(1) authorizing A. L. Vincent and Jean L. Vincent to sell and  
transfer to Ceres Water Works, Inc., their certificate of public  
convenience and necessity and related water system assets and  
business, and (2) authorizing Ceres Water Works, Inc., to issue  
\$3,500 par value of its capital stock in exchange for said  
certificate and water system.

By Decision No. 40017, dated March 4, 1947, in  
Application No. 28085, the Commission granted to A. L. Vincent  
and Jean L. Vincent a certificate of public convenience and  
necessity to construct, maintain and operate a public utility  
for the distribution and sale of water in the subdivision known  
as Fair Tract, located approximately one quarter of a mile north  
of the City of Ceres.

Subsequently, the Commission granted an increase in rates by Decision No. 56130, dated January 21, 1958, in Application No. 39094, applicable to the area contemplated by said certificate, together with extensions made under authority of the second paragraph of Section 1001 of the Public Utilities Code. A rate base of \$25,000 was adopted as reasonable for the purposes of said decision.

A. L. Vincent and Jean L. Vincent, doing business as Vincent Water Company, report assets and liabilities at October 31, 1959, as follows:

<u>Assets</u>	
Utility plant less reserve for depreciation	\$34,312.32
Current assets	<u>2,611.85</u>
Total	<u>\$36,924.17</u>
<u>Liabilities</u>	
Proprietary capital	\$29,052.49
Customers' deposits	518.00
Advance for construction	3,875.74
Contributions	<u>3,477.94</u>
Total	<u>\$36,924.17</u>

The owners of Vincent Water Company desire to transfer their public utility properties and business to Ceres Water Works, Inc., which acquired a public utility water system serving in the City of Ceres and vicinity, pursuant to authority granted by Decision No. 55193, dated July 2, 1957, in Application No. 39101. The application indicates that A. L. Vincent and Jean L. Vincent, together with Mrs. J. M. Vincent, constitute the shareholders, directors and officers of Ceres Water Works, Inc., and that the

transfer will better insure continuity and efficiency of operation of water distribution in the City of Ceres and vicinity. We are of the opinion, and so find, that the transfer will not be adverse to the public interest.

The rate schedules on file and in effect for Ceres Water Works, Inc., and Vincent Water Company are identical for general metered service and public fire hydrant service. The rates of Vincent Water Company applicable to general flat rate service are slightly higher than those authorized for Ceres Water Works, Inc. The rules of both utilities are identical except that those of Vincent Water Company provide for the reconnection charges and deposits for meter tests authorized by the Commission's General Order No. 103.

It does not appear necessary for Ceres Water Works, Inc., to maintain on file separate tariff schedules for the water system to be acquired herein. Therefore, the order which follows will direct Ceres Water Works, Inc., to refile the general flat rates now on file for the Vincent system as part of Ceres Water Works' tariff schedules and to consolidate the identical rates for general metered service and public fire hydrant service. The order will also direct Ceres Water Works, Inc., to refile the rules on file for Vincent Water Company and to apply said rules to the consolidated service area including both systems. Any increase in charges or more restrictive conditions which may result from applying the Vincent rules to the consolidated system is found to be justified.

The order herein granting the application shall not be construed to be a finding of the value of the properties nor as indicative of amounts to be included in a future rate base for the purpose of determining just and reasonable rates.

O R D E R

The Commission having considered the above-entitled matter and being of the opinion that a public hearing is not necessary, that the money, property or labor to be procured or paid for by the issue of the stock herein authorized is reasonably required for the purpose set forth herein, and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income; NOW THEREFORE,

IT IS HEREBY ORDERED as follows:

1. A. L. Vincent and Jean L. Vincent, on and after the effective date hereof and on or before March 31, 1960, may sell and transfer the certificate of public convenience and necessity and public utility water system referred to in this proceeding to Ceres Water Works, Inc.

2. Ceres Water Works, Inc., on and after the effective date hereof and on or before March 31, 1960, may issue not to exceed \$3,500 par value of its capital stock in purchasing and acquiring said public utility water system.

3. For accounting purposes only, applicants herein are authorized to use an effective date of December 31, 1959.

4a. Ceres Water Works, Inc., on or after the date of actual transfer, is authorized to charge in the service area acquired under the authorization herein granted, the general flat rates presently being charged by A. L. Vincent and Jean L. Vincent under the name of Vincent Water Company, to consolidate the identical rate schedules for general metered service and public fire hydrant service now in effect for Vincent Water Company and Ceres Water Works, Inc., and to apply in the entire consolidated service area of both systems the rules which are now on file with the Commission for Vincent Water Company.

4b. Ceres Water Works, Inc., if it acquires the herein above described properties, shall, within thirty days thereafter, file the rates and rules authorized herein and revise its presently effective tariff schedules, including a revised tariff service area map acceptable to the Commission, to provide for the application of said rates to the service area being acquired herein and of said rules to its consolidated service area, in accordance with the procedure prescribed by General Order No. 96. Such rates, rules and tariff service area map shall become effective on five days' notice to the Commission and to the public after filing as hereinabove provided.

5. On or before the date of actual transfer A. L. Vincent and Jean L. Vincent shall refund all deposits and advances for construction which are subject to refund. Any unrefunded deposits and advances for construction shall be transferred to and become the obligation of Ceres Water Works, Inc.

6. On or before the date of actual transfer A. L. Vincent and Jean L. Vincent shall transfer and deliver to Ceres Water Works, Inc., and the latter shall receive and preserve all records, memoranda and papers pertaining to the construction and operation of the properties hereinabove authorized to be transferred.

7. If the authority herein granted is exercised, A. L. Vincent and Jean L. Vincent, within 30 days thereafter, shall 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.

8. Upon due compliance with all the conditions of this order, A. L. Vincent and Jean L. Vincent 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.

9. Upon acquiring the properties under the authorization herein granted, Ceres Water Works, Inc., shall account for the acquisition of the properties thus acquired in accordance with the provisions set forth in Account No. 391 of the Uniform System of Accounts for Class A, Class B and Class C Water Utilities prescribed by this Commission.

10. Ceres Water Works, Inc., shall file a report, or reports, as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

11. The effective date of this order shall be the date hereof.

Dated at San Francisco, California,  
this 12th day of January, 1960.

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