

ORIGINALDecision No. 59495

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of CLAYTON B. NEILL,
 CLAYTON B. NEILL, JR., and GILBERT
 M. NEILL, a Co-Partnership doing
 business as CHUALAR WATER WORKS,
 a public utility providing water
 service to the residents of Chualar,
 Monterey County, California, for
 approval of the sale of said
 CHUALAR WATER WORKS to ALBERT
 BEESINGER.

Application No. 41634

OPINION AND ORDER

By the above-entitled application, filed on November 3, 1959, Clayton B. Neill, Clayton B. Neill, Jr., and Gilbert M. Neill, a copartnership doing business as Chualar Water Works, Monterey County, seek authorization to sell their public utility water system to Albert Beesinger and Albert Beesinger seeks authorization to execute a promissory note and Deed of Trust identical with Exhibits B and C attached to the application.

The application reveals that sellers Clayton B. Neill, Clayton B. Neill, Jr., and Gilbert M. Neill are residents of and have their offices in Carmel, California; that sellers are owners and operators of a public utility water system, known as Chualar Water Works, supplying water for domestic and other uses in the unincorporated townsite of Chualar, and vicinity; that presently there are 67 active service connections attached to said water system; and that the net book cost of the Chualar Water Works, as of August 25, 1959, was \$16,334.59.

Purchaser, Albert Beesinger, according to the application, resides within the area served by the water system and would thus be able to provide faster correction of any deficiencies in the system than the present operators. Albert Beesinger has entered into an agreement^{1/} with the sellers to purchase Chualar Water Works for \$16,500, payable \$10,000 in cash or its equivalent upon approval of the sale and \$6,500 by the issue of his promissory note. The note which the purchaser proposes to issue is to be repaid in monthly installments of \$75 or more, will bear interest at the rate of 7% per annum on deferred balances and will be secured by a Deed of Trust upon the real property and equipment to be acquired.

The net worth of Mr. and Mrs. Albert Beesinger as of October 1, 1959 is shown to be \$74,500 in Exhibit D of the application.

After consideration the Commission is of the opinion and so finds that the proposed transfer would not be adverse to the public interest. Further, the Commission is of the opinion that a public hearing is not necessary; that the application should be granted, as herein provided; that the money, property or labor to be procured or paid for by the issue of the promissory note herein authorized is reasonably required for the purposes specified herein, and that such purposes are not in whole or in part, reasonably chargeable to operating expenses or to income. The authorization herein granted shall not be construed to be a finding of the value of the rights and property herein authorized to be transferred nor as indicative of amounts to be included in a future rate base for the determination of just and reasonable rates.

1/ Exhibit A of the application.

IT IS ORDERED that:

1. On or after the effective date hereof and on or before June 30, 1960, Clayton B. Neill, Clayton B. Neill, Jr., and Gilbert M. Neill may sell and transfer, and Albert Beesinger may purchase and acquire, the operative rights and property referred to in the application in accordance with the terms of the agreement of sale attached to the application as Exhibit A, provided, however, that the sum of \$10,000 mentioned therein shall be paid in cash rather than in its equivalent.

2. The tariff schedules of Clayton B. Neill, Clayton B. Neill, Jr., and Gilbert M. Neill, doing business as Chualar Water Works, now legally on file with this Commission, shall be refiled within thirty days from the date of transfer under the name of Albert Beesinger in accordance with the procedure prescribed by General Order No. 96, or in lieu of such refiling, Albert Beesinger may file a notice of adoption of said presently filed tariff schedules. Said tariff schedules shall become effective upon five days' notice to the Commission and to the public after filing as hereinabove provided. No increases in the present lawfully filed rates and rules shall be made unless authorized by the Commission.

3. On or before the date of actual transfer Clayton B. Neill, Clayton B. Neill, Jr., and Gilbert M. Neill, shall refund all customers' deposits and 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 Albert Beesinger.

4. On or before the date of actual transfer of the physical properties herein authorized, Clayton B. Neill, Clayton B. Neill, Jr.,

and Gilbert M. Neill shall transfer and deliver to Albert Beesinger, and the latter shall preserve, all records, memoranda, and papers pertaining to the construction and operation of the water system herein authorized to be transferred.

5. If the authority herein granted is exercised, Clayton B. Neill, Clayton B. Neill, Jr., and Gilbert M. Neill shall, within thirty days thereafter, file with this Commission a certified copy of each deed or other instrument of conveyance as executed to effect the transfer of property hereinabove authorized.

6. If the authority herein granted is exercised, Clayton B. Neill, Clayton B. Neill, Jr., and Gilbert M. Neill shall, within thirty days thereafter, notify this Commission in writing of the date of completion of the property transfer herein authorized and of their compliance with the conditions hereof.

7. Upon due compliance with all of the conditions of this order, Clayton B. Neill, Clayton B. Neill, Jr., and Gilbert M. Neill shall stand relieved of all further public utility obligations and liabilities in connection with the operation of the public utility water system known as Chualar Water Works.

8. Albert Beesinger, if he acquires the rights and property herein authorized, may issue his promissory note in the principal sum of \$6,500 and may execute a Deed of Trust in or substantially in the same form as set forth in Exhibits B and C of the application and for the purposes specified in this application.

9. The authority herein granted to issue a note will become effective when applicant has paid the fee prescribed by Section

1904(b) of the Public Utilities Code, which fee is \$25. In other respects the effective date of this order shall be twenty days after the date hereof.

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

[Signature]
President
[Signature]
[Signature]
[Signature]
Theodore J. [Signature]
Commissioners

