

ORIGINALDecision No. 62191

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 WILLIAM R. QUINNEY and JOE QUINNEY,)
 doing business as CENTRAL GARDENS)
 WATER COMPANY, and the City of Lynwood,)
 California, for an order or orders,)
 (a) authorizing William R. Quinney)
 and Joe Quinney to sell and transfer)
 its properties to the City of Lynwood,)
 (b) authorizing the City of Lynwood)
 to purchase said properties and render)
 water service in the territory now)
 served thereby.)

Application No. 43343

OPINION AND ORDER

By this application, filed April 19, 1961, William R. and Joe Quinney (Central Gardens Water Company) seek an order of this Commission authorizing them to sell and transfer their public utility water system to the City of Lynwood, which joins in the application.

The "Central Gardens Water Company" operates within the city limits of the City of Lynwood and a fringe area adjacent to the city. It serves approximately 975 customers.

Under date of April 12, 1961, the parties hereto entered into a "Water Works Acquisition Agreement" by which the entire properties used and useful in providing public utility water service would be transferred to the City in consideration for the payment of \$120,000 in cash subject to adjustments occasioned by or incident to the actual date of closing. The balance sheet attached to the application shows undepreciated fixed assets, as of December 31, 1960, of \$79,168.13 and a liability of \$16,009.40 due a pump company, for an indicated plant total of \$95,177.53. ✓

Although the application alleges that William R. Quinney and Joe Quinney are holding no customer deposits or prepayments of any kind whatsoever, the balance sheet attached to the application shows an amount of \$435.75 as of December 31, 1960 for "Customers Paid in Advance." Inasmuch as the acquisition agreement specifically ✓

provides that the City of Lynwood will not be responsible for the sellers' obligations under any main extension agreements, customers' deposits, advances made in aid of construction or any similar arrangements, the order herein will require William R. Quinney and Joe Quinney to refund all customers' deposits, prepayments and advances for construction, if any, which are subject to refund. The Commission finds that the proposed transfer is not adverse to the public interest and that public hearing of the matter is not necessary. The requests of applicants will be granted. The action taken, however, shall in no manner be construed to be a finding as to the value of the properties authorized to be transferred. ✓

Good cause appearing therefor,

IT IS HEREBY ORDERED as follows:

1. William R. Quinney and Joe Quinney (Central Gardens Water Company), may, on or after the effective date of this order and on or before December 31, 1961, sell and transfer their public utility water system to the City of Lynwood in accordance with the terms and conditions of that certain "Water Works Acquisition Agreement - 1961" attached to the application herein.

2. Within thirty days of the date of actual transfer, William R. Quinney and Joe Quinney shall file with this Commission a copy of the hereinabove described agreement and of any or all instruments of conveyance as actually executed.

3. On or before the date of actual transfer, William R. Quinney and Joe Quinney shall refund all customers' deposits, prepayments 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.

4. If the authority herein granted is exercised, William R. Quinney and Joe Quinney shall, within thirty days thereafter, notify

this Commission in writing of the date of the completion of the property transfer herein authorized and of their compliance with the conditions hereof.

5. Upon due compliance with the foregoing, William R. and Joe Quinney shall stand relieved of their public utility obligations in connection with the operations of the 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 27th day of June, 1961.

Charles W. Rose
 President

W. L. K. Kitchell

E. J. ...

Fredrick B. Holmoff

Commissioners