

65040

ORIGINAL

Decision No. _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 WILLIAM R. QUINNEY and JOE QUINNEY,)
 husband and wife, doing business as)
 FAIRACRES WATER COMPANY, for an)
 order or orders (a) authorizing)
 William R. Quinney and Joe Quinney)
 to sell and transfer its properties)
 to Earl P. Kent, Jr., (b) authoriz-)
 ing Earl P. Kent, Jr., to purchase)
 said properties and render water)
 service in the territory now served)
 thereby.)

Application No. 44110
 Filed January 16, 1962

In the Matter of the Application of)
 WILLIAM R. QUINNEY and JOE QUINNEY,)
 husband and wife, doing business as)
 FAIRACRES WATER COMPANY, for an)
 order authorizing applicants to)
 sell and transfer their properties)
 to the City of Long Beach, a munic-)
 ipal corporation.)

Application No. 45060
 Filed December 18, 1962

W. R. Quinney and Earl P. Kent, Jr., for
applicants.

Clifford E. Hayes, Henry E. Jordan and
Raymond H. Bredenkamp, for City of Long
Beach and Brennan S. Thomas, for Long
Beach Water Department, interested
parties.

Richard R. Entwistle and C. O. Newman, for
the Commission staff.

OPINION AND ORDER

Hearings on Application No. 44110 of William R. Quinney and Joe Quinney, husband and wife, doing business as Fairacres Water Company, requesting authority for the sale of said water company to Earl P. Kent, Jr., were held before Examiner Patterson, at Los Angeles, on May 23, June 22, and August 2, 1962. On the latter date the matter was taken off calendar at request of sellers, who stated they were negotiating for the sale of the water company to

the City of Long Beach. An adjourned hearing in Application No. 44110 was consolidated with original hearing on Application No. 45060 before Examiner Patterson, in Long Beach, on January 22, 1963, and the two matters were submitted subject to receipt of late-filed Exhibit 2 comprising applicants' latest available balance sheet and income and profit-and-loss statements. Said exhibit has been received and the matters are now ready for decision.

Sellers have requested dismissal of Application No. 44110 and the order herein will so provide.

By Application No. 45060, William R. Quinney and Joe Quinney seek an order of this Commission authorizing them to sell and transfer their public utility water system to the City of Long Beach. The Quinneys have operated the Fairacres Water Company since acquisition of that system under authority granted by Decision No. 53616, dated August 21, 1956, in Application No. 37914 as amended. A certificate of public convenience and necessity was granted to a predecessor operator of the system by Decision No. 17653, dated November 19, 1926, in Application No. 13096.

Under date of December 13, 1962, sellers entered into an agreement with the Board of Water Commissioners of the City of Long Beach, a copy of which is attached to Application No. 45060, by which the entire properties, used and useful in providing public utility water service, would be transferred to the city in consideration of the payment of \$62,068.43 in cash as a base price, subject to adjustments for the cost of any improvements, betterments, and additions to the water system and facilities which are made prior to the actual date of closing. Said base price is also subject to a deduction for the amount of any deposits held by the sellers as advance payments for water to be delivered.

A witness for the City of Long Beach testified that the city would credit customers for any advance payments for water which are outstanding at the date of closing. William R. Quinney testified that, other than these advance payments for water service, the Fairacres Water Company does not hold any customers' deposits, prepayments or advances for construction which are subject to refund. The balance sheet submitted by late-filed Exhibit 2 shows undepreciated assets as of December 31, 1962, of \$63,114.81. The balance sheet filed with Application No. 44110 shows a depreciation reserve of \$47,939.52 as of December 31, 1961.

The City of Long Beach is not an applicant in Application No. 45060 nor did it execute a joinder; however, it is clear from the record that the city, through its water department, intends to provide water service to the entire area being considered herein.

The Commission finds that the proposed transfer of the Fairacres Water Company to the City of Long Beach is not adverse to the public interest and the request of applicants will be granted.

The authorization herein granted shall not be construed as a finding of the value of the rights and properties herein authorized to be transferred.

IT IS ORDERED that:

1. Application No. 44110 is dismissed.
2. William R. Quinney and Joe Quinney, husband and wife, doing business as Fairacres Water Company, may, on or after the effective date of this order and on or before December 31, 1963, sell and transfer the Fairacres Water Company, a public utility water system, to the City of Long Beach in accordance with the terms and conditions of that certain agreement dated December 13, 1962, attached to Application No. 45060. The foregoing authority is

conditioned upon the requirement that the City of Long Beach shall file with this Commission, before the date of actual transfer a certified copy of a stipulation that said city will acquire the utility property subject to all legal claims for water service which might have been enforced against the utility.

3. If the authority herein granted is exercised, William R. Quinney and Joe Quinney shall, within thirty days of the date of actual transfer, file with this Commission a copy of the hereinabove described agreement and of any or all instruments of conveyance as actually executed.

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. On or before the date of actual transfer, William R. Quinney and Joe Quinney shall refund customers' deposits and advances which are subject to refund.

6. Upon due compliance with the foregoing, William R. Quinney and Joe Quinney shall stand relieved of their public utility obligations in connection with the operations of the public utility water system herein authorized to be transferred and may discontinu

service concurrently with the commencement of service by the City of Long Beach.

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

Dated at San Francisco, California, this 6th day of MARCH, 1963.

Robert W. Page President

Frederic B. Hildebrand

William W. Bennett

Commissioners

Commissioner Peter E. Mitchell, being necessarily absent, did not participate in the disposition of this proceeding.