

65354

ORIGINAL

Decision No. _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 A. Der Mugerdechian and Rakel Der)
 Mugerdechian, husband and wife, for)
 authority to sell to C. Wesley Bird)
 and Jennie C. Bird, husband and wife,)
 all of their right, title and interest)
 in the water system now owned by A.)
 Der Mugerdechian and Mrs. Rakel Der)
 Mugerdechian, and known as the Anoosh-)
 Van Water System, in the County of)
 Fresno, State of California, and to)
 transfer Certificate of Public)
 Convenience and Necessity.)

Application No. 45178

O P I N I O N

Applicants seek authority for a sale of the Anoosh-Van Water System from Mr. and Mrs. Der Mugerdechian to Mr. and Mrs. Bird. Applicants Bird are already the holders of two systems in Fresno County called Wesmilton Water System and Hacienda Heights Water System.

The Anoosh-Van Water System serves a tract called Tract No. 1274 of Fresno County. Sellers propose to sell the property to Buyers for \$17,000. Exhibits C and D to the application reveal a cost of \$19,597.11, depreciation taken of \$762.08, net book value of \$18,835.03 (including land, 2 parcels valued at \$2,000). Sellers' 1961 annual report shows year-end utility plant, excluding land, of \$10,432.46. Buyers advise that approximately \$8,000 in plant was added during 1962. If a reasonable depreciation rate of 3 percent had been applied since the original plant was constructed in 1956, there would now be a depreciation reserve of about \$2,300, which appears more reasonable than the amount shown in the annual report.

On this basis, the total plant less depreciation reserve would be approximately \$18,000. A nominal net loss of \$5.48 was sustained in 1962.

The property to be transferred includes the system and the two well sites located outside the system. The sale is to be for cash.

The Commission finds and concludes that the proposed transfer is not adverse to the public interest and should be authorized. The action taken herein, however, shall not be construed to be a finding of the value of the properties authorized to be transferred.

The certificate hereinafter authorized to be transferred was granted, and shall continue to be, subject to the following provision of law:

That the Commission shall have no power to authorize the capitalization of this certificate of public convenience and necessity or the right to own, operate, or enjoy such certificate of public convenience and necessity in excess of the amount (exclusive of any tax or annual charge) actually paid to the State as the consideration for the issuance of such certificate of public convenience and necessity or right.

A public hearing is not necessary.

ORDER

IT IS ORDERED that:

1. After the effective date hereof and before January 1, 1964, A. Der Mugardechian and Rakel Der Mugardechian, sellers, may transfer and sell to C. Wesley Bird and Jennie C. Bird, buyers, the Anoosh-Van Water System, a public utility water system, for the sum of \$17,000 cash and in accordance with the terms and conditions set forth in the application.

2. On or before the date of actual transfer, A. Der Mugerdechian and Rakel Der Mugerdechian shall refund all customers' deposits and advances for construction, if any, which are subject to refund as of the date of transfer. Any unrefunded deposits and advances shall be transferred to and become the obligation for refund of C. Wesley Bird and Jennie C. Bird.

3. On or before the date of actual transfer, A. Der Mugerdechian and Rakel Der Mugerdechian shall transfer and deliver to C. Wesley Bird and Jennie C. Bird, and the latter shall receive and preserve, all records, memoranda and papers pertaining to the construction and operation of the properties herein authorized to be transferred.

4. Within thirty days after the authority herein granted is exercised, A. Der Mugerdechian and Rakel Der Mugerdechian shall notify this Commission in writing of the date of completion of the property transfer and of their compliance with the conditions hereof.

5. C. Wesley Bird and Jennie C. Bird shall, within thirty days after the date of actual transfer, file a notice of adoption of the rates and rules of A. Der Mugerdechian and Rakel Der Mugerdechian now on file with this Commission, in accordance with the procedure prescribed by General Order No. 96-A.

6. C. Wesley Bird and Jennie C. Bird shall, within thirty days after the date of actual transfer, file with this Commission a certified copy of each deed or other instrument of conveyance as executed to effect the transfer of the property hereinabove authorized.

7. Upon compliance with all of the requirements of this order, A. Der Mugerdechian and Rakel Der Mugerdechian shall stand relieved of their public utility obligations and liabilities in connection with the public 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 14th day of MAY, 1963.

George H. Thover
President

Fredrick B. Halshoff

Stallman W. Brundis
Commissioner Everett C. McKeago, being necessarily absent, did not participate in the disposition of this proceeding.
Commissioners