

Decision No. 67192**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Joint Application)
of LOGAN C. SOUTHFIELD and FRIEDA)
SOUTHFIELD, doing business under the)
firm name and style of DEL REY WATER)
WORKS and DEL REY COMMUNITY SERVICES)
DISTRICT OF FRESNO COUNTY, for an)
Order authorizing the former to sell)
to the latter the water system owned)
and operated by the former.)

Application No. 46315
(Filed March 25, 1964)

O P I N I O N

Applicants Logan C. Southfield and Frieda Southfield, sometimes hereinafter referred to as "sellers", operate a public utility water system pursuant to a certificate of public convenience and necessity transferred to them under Decision No. 56525 in Application No. 39870. They request authorization under Section 851 of the Public Utilities Code to sell said system to applicant Del Rey Community Services District of Fresno County, sometimes hereinafter referred to as "purchaser".

The territory presently served by sellers is the community of Del Rey, California. The territory proposed to be served by purchaser includes all the area presently served by sellers as well as the surrounding environs.

The property to be transferred from sellers to purchaser consists of all the facilities of every kind, including pumps, wells, and real property, that comprise the water system of sellers. The purchase price fixed by applicants in their agreement, dated March 12, 1964, attached to the application as Exhibit B, is \$20,000 to be paid by purchaser as follows: \$9,000 to be paid in cash on the closing day upon the receipt by purchaser of all deeds, bills of sale and

other documents necessary to transfer the system, and \$11,000 within 120 days thereafter, with interest on the \$11,000 at the rate of 7% per annum from the closing day until the day of payment.

Purchaser alleges that it proposes to revamp the present system and expend the necessary funds to make a more modern and adequate water system which will meet the present and future needs of users in the District, that for this reason the transfer is in the public interest, and that subsequent to the transfer the users will have the District under their own control.

Sellers have advised the Commission by letter dated April 10, 1964, that all customer deposits for the establishment of credit have been refunded as of April 1, 1964, and that "...there are no advances for construction due, nor are there any donations on the books of record."

The total assets of \$23,991.18 shown in the balance sheet of sellers appended to the application includes \$9,814.08 as the unamortized balance in the utility plant acquisition adjustment account. Said acquisition adjustment stems from the purchase of this system by sellers as authorized in Decision No. 56525.

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

O R D E R

IT IS ORDERED that:

1. Within three months after the effective date hereof Logan C. Southfield and Frieda Southfield, doing business as Del Rey Water Works, may transfer and sell to Del Rey Community Services District

of Fresno County their public utility water system in the community of Del Rey in accordance with the terms and conditions of the agreement, Exhibit B attached to the application herein.

2. The foregoing authority is conditioned upon the requirement that the Del Rey Community Services District of Fresno County shall assume all obligations for refund of any customer deposit made to establish credit, and shall pay whatever refunds are due as of said transfer date on advances for construction under main extension agreements.

3. Within ten days after the date of actual transfer said Logan C. Southfield, Frieda Southfield and Del Rey Community Services District of Fresno County shall jointly file in this proceeding written notification of the refunding of deposits and advances, the date of transfer and the date upon which District shall have assumed operation of the water system herein authorized to be transferred. A true copy of the instrument of transfer shall be attached to the written notification.

4. The hereinabove mentioned agreement of sale of Del Rey Water Works shall not be modified or amended, except as to the date or dates of closing, unless authority to modify or amend shall have been obtained from this Commission.

5. Upon compliance with the conditions of this order, Logan C. Southfield and Frieda Southfield shall stand relieved of all of their public utility obligations in connection with the operation of the public utility water system property herein authorized to be transferred and they may discontinue service concurrently with the commencement of service by the District.

6. The acceptance of the herein concerned property by the Del Rey Community Services District of Fresno County shall constitute consent by it to all conditions of the order herein which apply to said District.

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

Dated at San Francisco, California, this 12th day of MAY, 1964.

William W. Brown
 President

W. E. [unclear]

W. E. [unclear]

George T. Trover

Commissioners

Commissioner Frederick B. Holoboff, being necessarily absent, did not participate in the disposition of this proceeding.