

ORIGINALDecision No. 67913

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
 of JACK STRANGE, LOIS N. STRANGE,)
 GLENN R. CLINE, and EVA LEE)
 CLINE, doing business as Acme)
 Water Co., for authority to sell)
 and transfer public utility water)
 system properties.)

Application No. 46774
 Filed July 6, 1964

O P I N I O N

Jack Strange and Lois N. Strange (Stranges) and Glenn R. Cline and Eva Lee Cline (Clines), doing business as Acme Water Company, seek authorization to transfer the larger of their two jointly owned public utility water systems to Deane Prestidge and W. W. Prestidge (Prestidges), father and son as copartners, and to transfer part of the smaller system to Don G. Spallina and Lou M. Spallina (Spallinas), husband and wife, all of whom join in the application. Authorization is also sought to transfer the Clines' interest in the remainder of the smaller system to the Stranges and to withdraw said remainder from public utility water service.

The two water systems are located five miles apart in the vicinity of Porterville, Tulare County. The application alleges that there are no construction advances nor customer deposits for either system. The same schedules of rates are applicable to both systems.

The larger system, serving 66 customers in Tracts 175 and 330, which tracts are located approximately three miles southeasterly of the City of Porterville, is to be sold to the Prestidges, who propose to operate the system as Prestidge Water Company. By

Decision No. 61912, dated May 1, 1961, in Application No. 43005, the Stranges and Clines were granted a certificate to construct this system and to serve 20 lots in Tract 175 and 116 lots in Tract 330. The water system includes Lot Nos. 54 and 65 in Tract 330, two wells each equipped with a pump, a pressure tank, distribution mains, service connections, fire hydrants and miscellaneous facilities. The depreciated original cost of these properties as of December 31, 1963, is alleged to be \$30,457.

Part of the smaller system serving 14 customers in Tract 325, which tract is located approximately two miles northwesterly of the City of Porterville, is to be sold to the Spallinas, who propose to operate it as Spallina Water Company. By Decision No. 61913, dated May 1, 1961 in Application No. 43068 the Stranges and Clines were granted a certificate to construct the system and to serve 36 lots in Tract 325. The properties to be transferred to the Spallinas consist of Lot No. 22, a well equipped with a pump, a pressure tank, distribution mains, service connections, fire hydrants and miscellaneous facilities. The depreciated original cost of these properties as of December 31, 1963 is alleged to be \$14,074.

The Prestidges will pay \$22,500 in cash for the larger system. This sum is to be paid to the Clines. The Spallinas are to pay \$5,250 in cash for the portion of the smaller system. This sum is to be paid to the Stranges. As further consideration, the Stranges are to receive the Clines' interest in the remainder of the smaller system. This remainder consists of Lot No. 20, a well and pump. The depreciated original cost of the remainder is alleged to be approximately \$3,630.

The Stranges propose to withdraw said remainder from public utility service. The Spallinas propose to install a well and pump on Lot 22 and to place them in service before the well and pump included in the remainder are disconnected from the system.

The financial abilities of the Prestidges and the Spallinas are indicated by their respective financial statements attached as Exhibits C and B to the application.

Findings and Conclusion

The Commission finds that:

1. The proposed sales and transfers will not be adverse to the public interest.
2. Purchasers have the financial ability to acquire and operate the water systems.
3. Said remainder of the smaller system will no longer be necessary and useful in the public service upon the placing in service of a replacement well and pump by the Spallinas.

The Commission concludes that the application should be granted as provided in the order which follows. The action taken herein does not constitute a finding as to the value of the properties authorized to be transferred. A public hearing is not necessary.

O R D E R

IT IS ORDERED that:

1. Within one year after the effective date of this order, the Stranges and Clines may transfer to the Prestidges the water system serving Tracts 175 and 330 and the related certificate of public convenience and necessity, substantially in accordance with the terms shown in the application.
2. Within one year after the effective date of this order, the Stranges and Clines may transfer to the Spallinas that portion of the water system serving Tract 325, excluding Lot No. 20 and the

well and pumping unit thereon, and the related certificate of public convenience and necessity, substantially in accordance with the terms shown in the application.

3. Within one year after the effective date of this order, the Clines may transfer to the Stranges their interest in Lot 20 in Tract 325 together with the well and pumping unit thereon. This source of water and related facilities shall be maintained in operative condition and connected to the water system serving Tract 325 and shall not be taken out of service until the Spallinas have placed in operation replacement facilities with a capacity to supply at least 70 gpm of potable water.

4. After the effective date of this order, and not less than five days before the date of actual transfer, the Prestidges and the Spallinas shall each file tariffs for their respective water system, including tariff service area maps clearly indicating the boundaries of their service area, the present schedules of rates, appropriate general rules, and copies of printed forms to be used in dealing with customers. Such filings shall comply with General Order No. 96-A. The tariff schedules shall become effective on the date of actual transfer.

5. On or before the dates of actual transfer the Stranges and Clines shall refund all customers' deposits and advances for construction, if any, which are due and payable as of the date of transfer. Any unrefunded deposits and advances shall be transferred, as appropriate, to the Prestidges and Spallinas, who shall be responsible for their refund when due.

6. On or before the dates of actual transfer, the Stranges and Clines shall deliver to the Prestidges and Spallinas all records, memoranda, and papers pertaining to the construction and operation of the respective properties authorized herein to be transferred.

The Prestidges and Spallinas shall receive and preserve said records, memoranda and papers.

7. Within sixty days after the effective date of the transfers, the Prestidges and Spallinas shall each file four copies of a comprehensive map, drawn to an indicated scale not more than 400 feet to the inch, delineating by appropriate markings the tracts of land and territory served; the principal water production, storage and distribution facilities; and the location of the respective water system properties they are purchasing.

8. Within ten days after the date of each actual transfer, the parties to each such transfer shall jointly file with this Commission a written statement, showing:

- a. The date of transfer. A true copy of each of the instruments of transfer shall be attached to the statement.
- b. The dates of compliance with paragraphs 5 and 6 of this order.

9. Upon compliance with all of the conditions of this order, the Stranges and Clines shall stand relieved of their public utility obligations in the areas served by the transferred systems. They shall discontinue service in each of the serving areas upon commencement of service by the respective purchasers of each water system.

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

Dated at Los Angeles, California, this 30th day of SEPTEMBER, 1964.

Frederic B. Helms
President

George T. Crow

William L. Brown

Commissioners

Commissioner Everett C. McKeage, being necessarily absent, did not participate in the disposition of this proceeding.