

ORIGINAL

Decision No. 68118

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Phoebe J. Ryan)
dba Ryan Water System, to sell,)
and Alexander J. Went and Robert)
F. Strebel, a partnership dba)
Ryan Water System, to purchase,)
a water system, in Santa Clara)
County.)

Application No. 46931
(Filed August 28, 1964)

OPINION AND ORDER

Phoebe J. Ryan (seller), an individual doing business as Ryan Water System, and Alexander J. Went and Robert F. Strebel (buyers), a partnership doing business as Ryan Water System, seek authority for the transfer of a water system.

Seller's 1963 annual report to this Commission indicates that the water system provides service to ten customers. These customers are located in and near Call of the Wild, a subdivision in the Los Gatos Hills, Santa Clara County. The water system consists primarily of springs, a well, transmission ditch and mains, distribution mains, and service lines.

Seller's rates were filed many years ago and consist of a schedule for residential flat rate service with an annual charge of \$6 per cabin. Except for the revised main extension rule filed in 1964, seller has no filed rules, nor does she have a filed tariff service area map. Buyers propose to adopt seller's rates and rule.

Buyers have agreed to pay \$2 to seller as the full purchase price of the water system. The application states that the original cost and book value of the system are not known. Seller's 1958 annual report to the Commission, the most recent such report which included any information on cost of total utility plant, showed

undepreciated total plant in the amount of \$6,094 but did not show the corresponding depreciation reserve.

Buyers are both property owners served by the water system. They state in the application that they are qualified and able to operate, maintain, improve, and develop the system. Their financial ability is indicated by their financial statements, Exhibit A, attached to the application.

Findings and Conclusion

The Commission finds that:

1. The proposed sale and transfer will not be adverse to the public interest.
2. Buyers have the financial ability to acquire and operate the water system.
3. It is reasonable for buyers to adopt seller's flat rate but the rate schedule should be refiled by buyers in up-to-date form, along with a tariff service area map and up-to-date rules.

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 or original cost of the properties authorized to be transferred. A public hearing is not necessary.

IT IS ORDERED that:

1. Within one year after the effective date of this order, Phoebe J. Ryan (seller) may transfer to Alexander J. Went and Robert F. Strebel (buyers) the water system referred to herein, substantially in accordance with the terms described herein.
2. After the effective date of this order, and not less than five days before the date of actual transfer, buyers shall file the schedule of rates set forth in Appendix A to this order, a tariff

service area map clearly indicating the boundaries of the service area, appropriate general rules, and copies of any printed forms to be used in dealing with customers. Such filing shall comply with General Order No. 96-A. The tariff sheets shall become effective on the date of actual transfer.

3. On or before the date of actual transfer, seller shall refund all customers' deposits and advances for construction, if any, which are due and payable as of the date of transfer. All un-refunded deposits and advances shall be transferred to buyers, who shall be responsible for their refund when due.

4. On or before the date of actual transfer, seller shall deliver to buyers, and buyers shall receive and preserve, all available records, memoranda and papers pertaining to the construction and operation of the properties authorized herein to be transferred.

5. Within five days after the date of actual transfer, seller and buyers jointly shall file in this proceeding a written statement, showing:

- a. The date of transfer. A true copy of the instrument or instruments of transfer shall be attached to the statement.
- b. The dates of compliance with the foregoing paragraphs 3 and 4.

6. Upon compliance with all of the conditions of this order, seller shall stand relieved of her public utility obligations in

the area served by the transferred system and may discontinue service concurrently with the commencement of service by buyers.

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

Dated at San Francisco, California, this 27th day of OCTOBER, 1964.

Frederick B. Holbrook
President
John A. Mitchell
Robert W. Long
George G. Traver
William H. Bennett
Commissioners

APPENDIX A

Schedule No. 2A

ANNUAL FLAT RATE SERVICE

APPLICABILITY

Applicable to all flat rate water service furnished on an annual basis.

TERRITORY

Call of the Wild Subdivision, Santa Clara County.

RATES

	<u>Per Service Connection Per Year</u>
For each service connection	\$ 6.00

SPECIAL CONDITIONS

1. The above flat rates apply to service connections not larger than one inch in diameter.

2. The annual flat rate charge applies to service during the 12-month period commencing January 1 and is due in advance. If a permanent resident of the area has been a customer of the utility for at least 12 months, he may elect, at the beginning of the calendar year, to pay prorated flat rate charges in advance at intervals of less than one year (monthly, bimonthly or quarterly) in accordance with the utility's established billing periods.

3. The opening bill for flat rate service shall be the established annual flat rate charge for the service. Where initial service is established after the first day of any year, the portion of such annual charge applicable to the current year shall be determined by multiplying the annual charge by one three-hundred-sixty-fifth (1/365) of the number of days remaining in the calendar year. The balance of the payment of the initial annual charge shall be credited against the charges for the succeeding annual period. If service is not continued for at least one year after the date of initial service, no refund of the initial annual charges shall be due the customer.