

ORIGINALDecision No. 71390

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 REBECCA HOLGUIN (J. MARTINEZ WATER
 SYSTEM) for Authority to Sell Certain
 of its Utility Properties, and CITY
 OF SANTA ANA to Purchase said
 Properties.

Application No. 48638
 (Filed July 18, 1966)

O P I N I O N

Celia Rebecca Holguin owner of J. Martinez Water System (seller) requests authority to sell her water system to City of Santa Ana (buyer), and to be relieved of all public utility obligation in connection with the water system and within the area authorized to be transferred. Buyer joins in this application.

Seller on December 31, 1965, had 90 active service connections and 2650 feet of water pipe by which she served domestic customers at flat monthly rates within the boundaries of the City of Santa Ana.

On April 7, 1966, seller and buyer entered into a written agreement, a copy of which is attached to the application, providing for the sale of the water system. The purchase price is \$3,940.00 plus a 2-inch water service to the property of Celia Rebecca Holguin at 5126 West Westminster Boulevard, Santa Ana, California. The application states that the purchase price shall be adjusted upward and downward in the amount of \$20 for each service exceeding or less than 87 and \$1.00 for each foot of main exceeding or less than 2200 feet.

Seller's annual report to this Commission for the year 1965, hereby incorporated as a part of this record, shows as of the end of that year fully depreciated utility plant in service in the amount of \$8,266.60 and no contributions in aid of construction, advances for construction or customers' deposits. The 1965 annual report sets forth the following amounts for operating revenues and expenses:

Total operating revenues	\$1,323.38
Expenses	
Purchased water	745.80
Power and pumping	207.53
Customer accounting and collecting	198.43
General	342.12
Total expenses	<u>\$1,493.88</u>
Net Income	(\$ 170.50)

(Loss)

Seller and buyer state their belief that this sale will not be adverse to the public interest and will not prejudicially affect any person, corporation, or other entity. All of seller's water system and the area which she serves are located within the boundaries of buyer. Buyer represents that these facilities readily and advantageously can be connected to and integrated into buyer's existing system and that buyer can furnish satisfactory water service in the area at reasonable rates. Buyer is compensated for water service at the minimum charge metered rates set forth in Exhibit B of the application.

Applicants state that there are no main extension contracts on which there are refundable balances and there are no refundable deposits to secure payment of water bills relating to the facilities to be sold.

The Commission finds that:

1. No deposits by customers or advances for construction are presently a liability of seller.
2. Buyer has the ability to acquire and operate seller's water system without interruption in service.
3. Seller's dedicated area of service is entirely within the city boundaries of buyer.
4. Upon the consummation of the proposed transfer, seller will no longer be engaged in performing public utility service.
5. The proposed sale and transfer will not be adverse to the public interest.

We conclude that the application should be granted as provided in the following order and that 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, Celia Rebecca Holguin may sell and transfer to the City of Santa Ana the properties referred to herein, substantially in accordance with the terms described in the application herein.
2. Within ten days after the date of actual transfer, seller shall file with the Commission a true copy of any bill of sale or other instrument of transfer which may be executed to effect such transfer.
3. Upon compliance with all of the conditions of this order, seller shall stand relieved of all of her public utility obligations

in the area served by the transferred system, and may discontinue service concurrently with the commencement of service by buyer.

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

Dated at San Francisco, California, this 11th
day of OCTOBER, 1966.

John L. Smith
President

George F. Hoover

Frederick B. Holbrook

William L. Bennett

Commissioners

Commissioner A. W. Gatov, being necessarily absent, did not participate in the disposition of this proceeding.