

ORIGINAL

Decision No. 72388

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of DONALD R. PLUNKETT dba PLUNKETT
WATER COMPANY for an order author-
izing it to sell to SOMERSET MUTUAL
WATER CO., a non-profit corporation
and mutual water company, a portion
of a public utility water system.

Application No. 49193
(Filed March 7, 1967)

OPINION AND ORDER

By this application Donald R. Plunkett, doing business as Plunkett Water Company seeks authority to sell the portion of his public utility water system located in the City of Bellflower to Somerset Mutual Water Co., a mutual water company. Plunkett furnishes water service in his Bellflower service area to approximately 40 single-family dwellings and 199 residential units in multiple dwellings, and in his Lakewood service area to approximately 60 single-family residences and 83 residential units in multiple dwellings. Somerset furnishes water service to approximately 3,000 stockholding customers in Bellflower. The sale is proposed to be made pursuant to the terms of the agreement between Somerset and Plunkett, dated August 11, 1966, attached as Exhibit No. 16 to Exhibit I of the application which is "Amendment to Application for Permit" before the Department of Investment, Division of Corporations of the State of California, File No. 5450LA.

By Decision No. 70449, dated March 15, 1966, Application No. 47818, seeking similar authority, but under different terms, was denied for lack of information and based on a finding that granting of that application would have been adverse to the public interest.

The instant application alleges that all of the property owners in Plunkett's Bellflower system have agreed to subscribe to their pro rata shares or share of Somerset's stock in the form of the subscription agreement attached as Exhibit No. 17 to Exhibit I, and under the agreement between the parties, Exhibit No. 16 to Exhibit I, Somerset will install a 2-inch line from Plunkett's Well No. 1 to provide an emergency supply to Plunkett's Lakewood System.

Plunkett's reason for selling is that he wants to get out of this water business since he is principally a realtor. Eventually, he hopes to sell his Lakewood system to the City of Lakewood.

Plunkett alleges that the resultant loss of revenue to him from the sale of his Bellflower system to Somerset will be offset in some degree by reducing maintenance and by the adequacy of the remaining water rights to fulfill the needs of the Lakewood system; it should be unnecessary for Plunkett to purchase exchange pool water under the judgment in Central and West Basin Water Replenishment District, etc., Plaintiff vs. Adams, et al., Defendants, Los Angeles Superior Court No. 786,656; some additional revenue may be realized as the result of metering of single-family dwellings in the Lakewood area; and no increase in rates to

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Plunkett's Lakewood customers is planned until sufficient experience from the metering program has been gained to determine what increase, if any, might be necessary.

The consideration for the proposed transfer is to be a cash payment in the amount of \$29,850 for all of the Plunkett system in Bellflower, except for specific facilities excluded, to wit: all water rights owned by Plunkett as adjudicated in the Central and West Basin case, supra; the water well and pump No. 1 and pipeline in connection therewith, and the water storage tank and a right of way easement designated on Exhibit A and B, respectively, of Exhibit No. 16, supra; and four water tanks with right of ingress and egress located on property described on Exhibit C of Exhibit No. 16.

Somerset's shareholders will absorb \$23,000 of the cost and approximately \$7,000 will be absorbed by Plunkett's Bellflower customers. A list of their addresses, stock estimate as a percent per share, cost of stock, Somerset rate, stock payment, and Plunkett's rate, are shown on Exhibit V attached to the application.

We find that public hearing is not necessary; there has been and there is no public opposition; and that granting the application would not be adverse to the public interest.

We conclude that the application should be granted, therefore,

IT IS ORDERED that:

1. Donald R. Plunkett, doing business as Plunkett Water Company, is authorized to sell to Somerset Mutual Water Co., a non-profit corporation and a mutual water company, that portion of Plunkett's Bellflower water system located within the City of Bellflower according to the terms of the agreement attached to the application as Exhibit No. 16 of Exhibit I.

2. On or before the date of actual transfer, Plunkett shall refund all deposits for the establishment of credit made by customers in the area served by the system to be transferred. Within ten days after the date of actual transfer, seller shall file in this proceeding written notification of the refunding of deposits required herein.

3. Within thirty days after the date of actual transfer, Plunkett shall file revised tariff sheets, including tariff service area maps clearly indicating the boundaries of the service area, to discontinue the application of his present tariff schedules to the area served by the transferred properties. Such filing shall comply with General Order No. 96-A, and the revised sheets shall become effective on the fourth day after the date of filing.

4. When all terms and conditions of the agreement have been fulfilled and the properties have been transferred by Plunkett to Somerset, Plunkett shall notify the Commission in writing thereof,

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and thereupon shall stand relieved of any public utility obligation to furnish water service in the City of Bellflower.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 9th day of MAY, 1967.

[Signature]
President
[Signature]
[Signature]
[Signature]
Commissioners

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