

ORIGINAL

Decision No. 76294

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
CITY OF CERES, a political subdivi-
sion of the State of California and
ALFRED W. GONDRING, dba the Mission
Manor Water Company,

Application No. 51332
Filed August 21, 1969

Under Sections 851-853 of the Public
Utilities Code for authority to sell
and to purchase the utility,

Applicants.

O P I N I O N

By this application, Alfred W. Gondring, an individual doing business as Mission Manor Water Company (seller), seeks authorization under Section 851 of the Public Utilities Code to sell and transfer his public utility water system to the City of Ceres (purchaser), which joins in the application.

Seller provides water service as a public utility within Mission Manor Tract, an unincorporated area adjacent to the city limits of Ceres, which is located in Stanislaus County. Purchaser operates a water system under the name of Ceres Water Works and furnishes water to the public within Ceres and certain other areas in the vicinity thereof. Purchaser proposes to annex Mission Manor Tract in the near future.

A list of the major items of utility property proposed to be transferred is attached to the application as Exhibit A. It includes a 20 by 60 foot lot, a 15 by 30 foot block building, a 2,000-gallon storage tank, two wells, pumping equipment and a water

distribution system. A copy of seller's 1968 Annual Report to the Commission is attached to the application as Exhibit C. Said report shows that 31 residences, one industry and three fire hydrants were actively served by the utility system on December 31, 1968; that the cost of the water plant in service was \$10,379 and the reserve for depreciation was \$5,140 on said date; and that the 1968 net income for the utility was \$569.

An Aquisition Agreement covering the sale and transfer was executed by seller and purchaser on June 25, 1969. A copy thereof is attached to the application as Exhibit B. The purchase price set forth therein is \$7,500 with \$3,750 payable on or about February 1, 1970, and the balance to bear interest at six percent per annum until paid. Said agreement is conditioned upon the approval by the Commission of the proposed sale and transfer and provides that the closing date thereof shall be within 60 days after such approval has been obtained.

The application states that seller is of advanced age and has encountered difficulty in providing full and sufficient service and in complying with all statutory requirements because of the minimal size of his water company; that purchaser can provide greater efficiency and better service by consolidating said company with its substantially larger system; that purchaser will continue to assess the same water rates in the area served by the utility to be acquired as are now charged by seller for as long as such rates are economically feasible for the service provided or until such time as said area is annexed by purchaser; and that said present water rates will become economically unfeasible only if the future cost of running the water system increases substantially or major adjustments are required to be made to the system serving the present customers.

The Commission finds that the proposed transfer will not be adverse to the public interest and concludes that the application should be granted. A public hearing is not necessary.

The authorization herein granted shall not be construed as a finding of the value of the rights and properties herein authorized to be transferred.

O R D E R

IT IS ORDERED that:

1. On or before January 1, 1970, Alfred W. Gondring may transfer and sell to the City of Ceres his public utility water system located in Mission Manor Tract, an unincorporated area adjacent to said city.

2. On or before the date of actual transfer, Alfred W. Gondring shall refund all customers' deposits, if any, held by him, and, within ten days after said transfer, shall notify this Commission, in writing, that such refunds, if any, have been made.

3. Within ten days after consummation of the transfer herein authorized, Alfred W. Gondring shall file with the Commission a copy of any instrument effecting the transfer herein authorized.

4. Upon completion of the sale and transfer authorized herein and upon compliance with all the terms and conditions of this order, Alfred W. Gondring shall be relieved of his public

utility obligations in connection with the utility system herein authorized to be transferred.

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

Dated at Los Angeles, California, this 21st day of OCTOBER, 1969.

William Sproule, Jr.
President

Raymond J. ...

J. ...

J. ...

Yemen L. ...
Commissioners