

ORIGINAL

Decision No. 77164

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application  
 of N. R. JESSEE, doing business  
 as THE MULBERRY WATER WORKS, for  
 Authority to Sell and Transfer  
 all of the Public Utility Property  
 Thereof to RICHARD L. JESSEE and  
 BETTY JEAN JESSEE.

Application No. 51767  
 (Filed March 11, 1970)

O P I N I O N

N. R. Jessee, doing business as The Mulberry Water Works (seller), and Richard L. Jessee and Betty Jean Jessee (buyers), request authority for seller to transfer his water system to buyers and for seller to be relieved of his public utility obligation.

Seller is presently a public utility in the business of supplying water service to 135 customers in an area known as the Mulberry District, located in the southern part of Chico, Butte County, California. Seller's balance sheet as of July 31, 1969, indicates that the water plant in service amounts to \$31,549.54 that the reserve for depreciation amounts to \$13,746.34 and that the net plant in service amounts to \$17,803.31. Seller's balance sheet indicates no customers' deposits, no advances for construction and no contributions in aid of construction. The sum of \$100 per month will be paid to seller until there have been paid monthly installments totaling \$20,000. It appears that the seller is retiring from his business operations, including the ownership and operation of this water company.

We find that:

1. Buyers, having a net worth of \$57,515, have the ability to acquire and operate seller's water system without interruption in service.

2. Upon the consummation of the proposed transfer, seller will no longer be performing public utility service.

3. Subject to the conditions set forth in the order which follows, the proposed sale and transfer will not be adverse to the public interest.

4. The issue of the evidence of indebtedness herein authorized is reasonably required for the purposes specified herein and such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income.

We conclude that the application should be granted as provided in the following order.

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. Within one year after the effective date of this order, N. R. Jessee, doing business as The Mulberry Water Works, may sell and transfer to Richard L. Jessee and Betty Jean Jessee the properties referred to herein, substantially in accordance with the terms of the agreement to sell attached to the application herein, but subject to the conditions of this order.

2. Within ten days after the date of actual transfer, seller shall file in this proceeding written notification of the refunding of all deposits and advances, if any, the date of transfer and the date upon which buyers assumed the operation of the water system authorized herein to be transferred. A true copy of the instrument or instruments of transfer shall be attached to the written notification.

3. After the effective date of this order, and not less than five days before the date of actual transfer, buyers shall file new and revised tariff sheets, including a tariff service area map, to provide for the application of buyers' rules and rates to seller's service area. Such filing shall comply with General Order No. 96-A. The effective date of the new and revised tariff sheets shall be the date of actual transfer.

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. Upon the compliance with all conditions of this order, seller shall stand relieved of his public utility obligations in the area served by the transferred system and may discontinue service concurrently with the rendering of service by buyers.

6. On or before the end of the third month after the date of actual transfer, buyers shall cause to be filed with the Commission, in such form as the Commission may prescribe, an annual report covering the period from the first day of the current year to and including the effective date of the transfer.

7. Buyers shall account for the acquisition of the properties herein authorized to be transferred in accordance with the instructions relating to water plant purchased contained in the Uniform System of Accounts for Class D Water Utilities.

The authority herein granted to issue evidence of indebtedness will become effective when applicant has paid the fee prescribed

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by Section 1904(b) of the Public Utilities Code, which fee is \$50. In other respects the effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 5th day of MAY, 1970.

William J. Lyons President  
Augusta  
JP Brown  
Thomas J. Brown  
Vernon L. Sturgeon Commissioners

