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Decision No. 82286 1

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Irene McLain, dba  
AERIAL ACRES WATER SYSTEM, E. L.  
Brummett and Graydon B. Aldred for  
an order authorizing (1) the sale  
and transfer to E. L. Brummett and  
Graydon B. Aldred of the water  
system of Aerial Acres Water System,  
(2) the discontinuance of service  
by Aerial Acres Water System in the  
territory now served by it, (3) the  
commencement of service in said  
territory by E. L. Brummett and  
Graydon B. Aldred, at the same  
rates in effect and being collected  
by Aerial Acres Water System.

Application No. 54067  
(Filed May 25, 1973)

O P I N I O N

Irene McLain, doing business as Aerial Acres Water System, requests authority to sell and transfer, and Graydon B. Aldred and Lucille M. Brummett, as the widow and the sole beneficiary of the estate of Edward Louis Brummett, deceased, request authority to purchase and acquire a public utility water system.

The certificate of public convenience and necessity authorizing the operation of the system was granted by Decision No. 77161 dated May 5, 1970 in Application No. 51410.

The water system covers an area of approximately 102.5 acres in North Edwards, Kern County. It consists of one well, approximately 2 miles of cement main, and three fire hydrants. Service is provided to 57 customers on a metered rate basis. The agreed cash consideration is \$2,500.

Applicant buyers reside within the service area and as of May 25, 1973, indicated a net worth in the amount of \$85,800. Since the filing of the application, E. L. Brummett has died and his wife Lucille M. Brummett requests that she be named as buyer in place of her deceased husband. There are no objections.

After consideration, the Commission finds that the proposed transfer would not be adverse to the public interest. A public hearing is not necessary.

The Commission further finds with reasonable certainty that the project involved in this proceeding will not have a significant effect on the environment.

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

Lucille M. Brummett and Graydon B. Aldred are placed on notice that operative rights, as such, do not constitute a class of property which may be capitalized or used as an element of value in rate fixing for any amount of money in excess of that originally paid to the State as the consideration for the grant of such rights. Aside from their purely permissive aspect, such rights extend to the holders a full or partial monopoly of a class of business. This monopoly feature may be modified or canceled at any time by the State, which is not in any respect limited as to the number of rights which may be given.

O R D E R

IT IS ORDERED that:

1. On or before August 1, 1974 Irene McLain may sell and transfer, and Lucille M. Brummett and Graydon B. Aldred may purchase and acquire, the water system referred to in this application.
2. As a condition of this grant of authority, purchasers shall assume the public utility obligations of seller within the area served by the water system being transferred and shall assume liability for refunds of all existing customer deposits and advances pertaining to the water system being transferred.

3. Within ten days after completion of the transfer, purchasers shall notify the Commission, in writing, of the date of completion and of the assumption of the obligations set forth in paragraph 2 of this order.

4. Purchasers shall either file a statement adopting the tariffs of seller now on file with this Commission or refile under their own names those tariffs in accordance with the procedures prescribed by General Order No. 96-A. No increase in rates shall be made unless authorized by this Commission.

5. On or before the date of actual transfer, seller shall deliver to purchasers, and the latter shall receive and preserve all records, memoranda, and papers pertaining to the construction and operation of the water system authorized to be transferred.

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

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7. Upon compliance with all of the terms and conditions of this order, seller shall be relieved of her public utility obligations in connection with the water system transferred.

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

Dated at San Francisco, California, this 3rd  
JANUARY  
day of \_\_\_\_\_, 1974

Verward L. Spencer  
President  
William L. Symon, Jr.

[Signature]  
[Signature]  
Commissioners

Commissioner J. P. Vukasin, Jr., being necessarily absent, did not participate in the disposition of this proceeding.