

Decision No. 83461

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of GARRAPATA WATER COMPANY
dba GARRAPATA WATER COMPANY, to sell
and MR. JOEL M. MORRIS, to buy the
water system in Monterey.

Application No. 54774
(Filed April 1, 1974)

Gurdon S. Pulford, for Garrapata Water Company;
and Joel M. Morris, for himself; applicants.
Alexander Chocas, for the Commission staff.

O P I N I O N

Garrapata Water Company, a corporation, requests authority to sell and transfer, and Joel M. Morris requests authority to purchase and acquire, a public utility water system located approximately 10 miles south of Carmel.

A public hearing was held before Examiner Daly at Seaside on July 23, 1974 at which time and place the matter was submitted.

The certificate of public convenience and necessity authorizing operations of the water system was granted by Decision No. 63944 dated July 17, 1962 in Application No. 44235. The water system serves 17 customers and is valued at \$36,429. The agreed cash consideration is one dollar.

The system consists of approximately 13,400 feet of main ranging in size from 2½-inches to 6-inches, of which 800-feet are galvanized, 2,000-feet are standard screw and 10,600-feet are asbestos-cement. As of December 31, 1974 there were 17 metered services and two fire hydrants. As of the same date the net book cost of the system was \$26,495. The company's 1973 annual report indicates that the company does not have any customers' deposits or advances for construction on record.

It is alleged that applicant purchaser is the president of MetallCon, Inc., an engineering firm, and is presently constructing a residence in the utility's service area. As of March 1, 1974, applicant purchaser indicated a net worth in the amount of \$1,262,500.

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

We find 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 transferred.

Applicant is 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 holder 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 March 1, 1975, Garrapata Water Company may sell and transfer and Joel M. Morris may purchase and acquire the water system herein considered.
2. Within ten days after the transfer, applicant purchaser shall file with the Commission a true copy of the bill of sale or other instrument of transfer and shall assume the public utility obligations of seller within the area served by the water system.
3. On or before the date of actual transfer, applicant seller shall deliver to applicant purchaser, and the latter shall receive and preserve all records, memoranda, and papers pertaining to the construction and operation of the system.


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


5. Upon completion of the sale and transfer authorized by this order and compliance with all of the terms and conditions of this order, Garrapata Water Company shall be relieved of its public utility obligations in connection with the utility system transferred.


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

Dated at Los Angeles, California, this 17th
day of SEPTEMBER, 1974.



President






Commissioners