

Decision No. 83930**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
 of JAMES R. CLARK, as administrator
 with the will annexed of the Estate
 of Fannie Warren Sollis, also known
 as Fannie Warren Putnam, also known
 as Fannie Warren Vaughn, deceased,
 and JAMES R. CLARK, as administrator
 with the will annexed of the Estate
 of James W. Vaughn, deceased, to
 request authority to sell and
 transfer to FRANCIS H. FERRARO all
 real and personal property, along
 with all rights, title, and interest
 in the water system known as the
 Highway City Water System in the
 County of Fresno, State of California,
 and to transfer the certificate of
 public convenience and necessity.

Application No. 54805
 (Filed April 15, 1974)

O P I N I O N

Applicant James R. Clark (seller), as administrator with the will annexed of the Estate of Fannie Warren Sollis, also known as Fannie Warren Putnam, also known as Fannie Warren Vaughn, deceased, and as administrator with the will annexed of the Estate of James W. Vaughn, deceased, seeks authority to sell, and applicant Francis H.

Ferraro (buyer) seeks authority to buy, the public utility water system operated by seller, known as Highway City Water System, serving 228 flat rate customers and 15 metered customers in the unincorporated community known as Highway City in Fresno County.

The water supply for the system is obtained from three deep wells, equipped with electrically driven deep well turbine pumps. The storage facilities consist of two pressure tanks with

capacities of 2,800 and 3,000 gallons. A 2,800-gallon pressure tank used as a sand trap will remain in service until a 5,000-gallon pressure tank recently ordered is delivered and placed in service. The utility serves its customers through approximately 20,000 feet of mains varying from 1-1/2 to 6 inches in diameter at pressures ranging from 40 to 60 psi.

The sale of the Highway City Water System and its assets to buyer has been authorized and approved by the court in which the estates administered by seller are being probated. As stated in the application the price to be paid by buyer for the property in the Estate of Fannie Warren Vaughn is the sum of \$25,434.33, and the price to be paid by buyer for the property in the Estate of James W. Vaughn is the sum of \$12,716.67. Compromise agreements and the court orders approving the same have been received in evidence as Exhibit 1. These compromise agreements provide that in consideration of buyer assuming the liability for repayment of advances for construction of the water system in the amount of \$6,521.39, the amount to be paid to the administrator of the Estate of Fannie Warren Vaughn will be reduced by the sum of \$2,333.34, and the amount to be paid to the administrator of the Estate of James W. Vaughn will be reduced by the sum of \$1,666.66. Applicants stated that there were no customer deposits for service held by the utility.

The reason for the sale is that the seller, as administrator of the estates of the decedents, cannot operate the water system and the distributees of the estates of the decedents cannot do so. Any attempt to have the water system operated by other than experienced personnel would not be beneficial to the public interest. No change in rates is contemplated at the time of sale of the water system.

The buyer is the owner of the Kavanagh Vista Water Co., PFD Corporation, Northeast Gardens Water Co., The Calumet Water Co., and the Easton Estates Water Co., all of which are under the jurisdiction of this Commission. The acquisition and operation of the Highway City Water System can be assumed by buyer with the minimum amount of inconvenience to the general public.

Buyer's financial statement as of December 31, 1973, which is attached to the application as Exhibit I, shows a net worth of \$406,872.

The Commission finds that:

1. The proposed sale and transfer is not adverse to the public interest.
2. Buyer has the financial resources to acquire and operate the water system known as the Highway City Water System.
3. It is reasonable for buyer to apply the present rates of seller in the service area of Highway City Water System.
4. With reasonable certainty the project involved in this proceeding will not have a significant effect on the environment.
5. A public hearing is not necessary.

On the basis of the foregoing findings the Commission concludes 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 nor as indicative of the amounts to be included in proceedings for the determination of just and reasonable rates.

O R D E R

IT IS ORDERED that:

1. On or after the effective date hereof and on or before March 31, 1975, James R. Clark (seller), as administrator with the will annexed of the Estate of Fannie Warren Sollis, also known as Fannie Warren Putnam, also known as Fannie Warren Vaughn, deceased, and James R. Clark, as administrator with the will annexed of the Estate of James W. Vaughn, deceased, doing business as Highway City Water System, may transfer and sell to Francis H. Ferraro (buyer), and the latter may acquire the public utility water system referred to herein together with the operating rights pertaining thereto, in accordance with the terms of the Orders Confirming Sale of Real and Personal Properties attached to the application as Exhibits B and C, as modified by Exhibit 1 which is in evidence in this proceeding.

2. Buyer shall file, within ten days after the effective date of the transfer, a notice of the adoption of the presently filed rates and rules of seller, in accordance with the procedure prescribed by General Order No. 96-A. No increases in the presently filed rates shall be made unless authorized by this Commission.

3. On or before the date of actual transfer of the properties herein authorized, seller shall transfer and deliver to buyer and the latter shall receive and preserve all records, memoranda, and papers pertaining to the construction and operation of the properties herein authorized to be transferred.

4. On or before the end of the third month after completion of the transfer, buyer shall cause to be filed with the Commission, in such form as the Commission may prescribe, an annual report, or reports, related to 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.

5. Within ten days after the actual date of transfer, seller and buyer jointly shall file in the proceeding (a) a written statement showing the date of transfer and the date upon which buyer assumed operation of the water system herein authorized to be transferred, and (b) a true copy of each instrument of transfer of said water system and operating rights.

6. Buyer shall file within ninety days after the effective date of the transfer, two copies of the current water system map, required by paragraph I.10.a of General Order No. 103, of the water system facilities herein authorized to be transferred.

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

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 20th
day of DECEMBER, 1974.

Thomas L. Spurgeon
President
William J. Spurgeon
Thomas Moran
Robert E. Mc Donald
Commissioners