

Decision 89 11 021 NOV 3 1989

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of the City of Porterville, )  
a California municipal corporation, for )  
authority to purchase the water of )  
EPTCO WATER COMPANY, U 244 W, and )  
PLEASANT GROVE WATER COMPANY, U 259 W. )

Application 89-03-021  
(Filed March 15, 1989)

OPINION

This is an application in which the City of Porterville (Porterville) seeks authority to acquire EPTCO Water Porterville (EPTCO Porterville) and Pleasant Grove Water Company (Pleasant Grove).

On August 1, 1989, Porterville transmitted a certificate of service which indicates that notice of the filing of the application was mailed to each EPTCO Porterville and Pleasant Grove customer on February 28, 1989. There are no protests.

The Commission makes the following findings and conclusion.

Findings of Fact

1. A public hearing is not necessary in this matter.
2. Roy W. Cawthray (Cawthray), doing business as EPTCO Porterville, operates a public utility water system in the vicinity of Porterville, Tulare County. EPTCO Porterville serves approximately 53 customers. The system is located near west central Porterville, just west of Highway 65 between Mulberry and Westfield Avenues. There is room to expand the system to serve a maximum of 73 customers. The system contains a 15-hp. pumping plant with a 3,000-gallon pressure tank and 4-inch steel lines with individual services to each customer. The system has no meters. It has all flat rate water users. There is a total of 3,503 lineal feet of water lines. The well is a 10-inch well with a total depth

of 150 feet. Its capacity is approximately 277 gallons of water per minute.

3. Cawthray, doing business as Pleasant Grove, operates a public utility water system in the vicinity of Porterville which is located between Indiana and Cottage Streets, with the southerly boundary being Union Street and the northerly boundary being Devon Street. This area is just south of Olive Avenue and easterly of Highway 65, the major north-south freeway which divides the city. The system currently serves 104 customers, and there is room within the area to expand to serve an additional 10 customers.

The system consists of a 25-hp. pumping plant with a 430 gallons per minute rated capacity, a 3,250-gallon tank, and 4,210 lineal feet of 4-inch water mains, most of which are steel lines. The system is approximately 25 years old. It is functional and in working order.

4. Porterville is a charter city. It operates a water system serving customers in portions of the city.

5. On March 7, 1989, Porterville and Cawthray entered into an agreement in which Cawthray agreed to sell EPTCO Porterville and Pleasant Grove to Porterville for \$115,000.

6. As of December 31, 1987, the original cost, less depreciation, of EPTCO Porterville's plant was \$1,288 and Pleasant Grove's plant was \$1,716.

7. Porterville has the ability, including financial ability, to acquire EPTCO Porterville and Pleasant Grove and to continue to provide water service to the customers of these systems.

8. Cawthray is in poor health and no longer wants to operate EPTCO Porterville and Pleasant Grove. Porterville wants to acquire the water systems so that the entire city and immediate vicinity will be served by a single, fully intertied water system, which would provide better water service for the residents of the city.

9. The proposed sale and transfer by Cawthray of EPTCO Porterville and Pleasant Grove to Porterville are not adverse to the public interest.

10. Because the public interest would best be served by having the sale and transfer take place expeditiously, the ensuing order should be made effective on the date of issuance.

Conclusion of Law

The application should be granted.

This authorization is not a finding of the value of the rights and properties to be transferred.

ORDER

IT IS ORDERED that:

1. On or after the effective date of this order Roy W. Cawthray (Cawthray), the owner of two public utility water systems named EPTCO Water Porterville (EPTCO Porterville) and Pleasant Grove Water Company (Pleasant Grove), may sell and transfer EPTCO Porterville and Pleasant Grove to the City of Porterville (Porterville) in accordance with the terms set forth in the application.

2. On or before the date of transfer, Cawthray shall refund any customer credit deposits which are subject to refund.

3. Porterville shall assume any liability for refunds of main extension advances.

4. Within 10 days after transfer, Cawthray shall write the Commission stating dates of transfer and deposit refunds, and date when buyer began operating the water system. A copy of the transfer documents shall be attached.

5. The identification numbers given to EPTCO Porterville (U 244 W) and Pleasant Grove (U 259 W) are revoked as of the date Porterville acquires control of those water systems.

6. As a condition of this grant of authority, Porterville shall apply the same rates, rules, and conditions to customers outside of the city's boundaries as it applies to customers inside the boundaries, except as necessary to offset any tax or assessment on customers inside the boundaries which benefits other customers.

7. Upon compliance with all of the conditions of this order, including the payment of all fees due under Public Utilities Code § 431 to the date of transfer, Cawthray shall stand relieved of his public utility obligations with respect to EPTCO Porterville and Pleasant Grove and may discontinue service concurrent with the commencement of service by Porterville as contemplated in the agreement between the parties.

8. The authority granted in Ordering Paragraph 1 shall expire on November 30, 1990 if it has not been exercised by that date.

This order is effective today.

Dated NOV 3 1989, at San Francisco, California.

G. MITCHELL WILK  
President  
FREDERICK R. DUDA  
STANLEY W. HULETT  
JOHN B. OHANIAN  
PATRICIA M. ECKERT  
Commissioners

I CERTIFY THAT THIS DECISION  
WAS APPROVED BY THE ABOVE  
COMMISSIONERS TODAY.

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*Wesley Franklin*  
WESLEY FRANKLIN, Acting Executive Director