

ORIGINALDecision No. 52823

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of FLOYD E. PARKS and AMELIA PARKS
to sell, and KARL M. WILSON, LAVERDA M.
WILSON, and LLOYD P. BRITT, to purchase
the Raymond Water Works, also known and
called the Water System in the Town of
Raymond, California.

Application No. 37670

OPINION AND ORDER

By this application filed January 19, 1956, Floyd E. Parks and Amelia Parks,¹ doing business as Raymond Water Works, and Karl M. Wilson, LaVerda M. Wilson and Lloyd P. Britt,² jointly seek the necessary authorization of the Commission for Sellers to sell and transfer to Buyers the public utility water system operated by Sellers known as Raymond Water Works located in the town of Raymond, Madera County; and for Karl M. Wilson and LaVerda M. Wilson to issue their note to Sellers in the amount of \$26,500; and for Lloyd P. Britt to issue his note in the amount of \$26,500 in favor of Karl M. Wilson and LaVerda M. Wilson, for an undivided one-half interest in the property to be transferred. The major portion of the consideration for the proposed transfer applies to nonutility property.

Sellers acquired the Raymond Water Works by authority of this Commission's Decision No. 44317 issued June 20, 1950, in Application No. 31477, since which time they have owned and operated the public utility water system which furnishes water for domestic purposes in the unincorporated community of Raymond, Madera County.

¹ Sometimes herein called Sellers.

² Sometimes herein called Buyers.

The operations of this water system were commenced sometime prior to 1910, and no certificate of public convenience and necessity has been issued by this Commission.

The escrow instructions, dated October 20, 1955, between Karl M. Wilson and LaVerda M. Wilson, and Floyd E. Parks and Amelia Parks, a copy of which is attached to the application as Exhibit "A", provides for the transfer of title from Floyd E. Parks and Amelia Parks to Karl M. Wilson and LaVerda M. Wilson, as joint tenants, of certain real property located in Madera County, together with the public utility property known as Raymond Water Works. Consideration for the transfer is stated to be \$32,500, payable \$1,000 at the time of signing escrow instructions, \$5,000 on or before ninety days thereafter and the balance of \$26,500 to be in the form of a note secured by a deed of trust. The terms for repayment of the note are stated to be \$1,000 annually on the principal, and interest on the unpaid balance at the rate of 5 per cent per annum. Copies of the grant deed, deed of trust and note wherein the title is to be conveyed from Sellers to Karl M. Wilson and LaVerda M. Wilson are attached to the application as Exhibits "C", "D" and "E".

The document entitled Escrow Instructions, dated November 23, 1955, between Karl M. Wilson and LaVerda M. Wilson and Lloyd P. Britt, a copy of which is attached to the application as Exhibit "B", provides for the transfer of an undivided one-half interest in the same real property and public utility property to Lloyd P. Britt. Consideration for this transfer is stated to be \$26,500 in the form of a note secured by a deed of trust. The terms for repayment of this note are \$1,000 annually on the principal, and interest on the unpaid balance at the rate of

5 per cent per annum. Copies of the grant deed, deed of trust, and note executed to convey this undivided one-half interest from the Wilsons to Lloyd P. Britt are attached to the application as Exhibits "F", "G" and "H".

Seller's balance sheet and a list of water system properties, attached to the application as Exhibits "I" and "J", respectively, indicate as of November 30, 1955 an investment in utility property of \$5,991.31, a book depreciation reserve of \$1,812.33, indicating a net utility plant of \$4,578.98. The total utility plant, as of December 31, 1954, shown in the utility's annual report to the Commission for the year 1954, is the amount of \$6,391.31, with a book depreciation reserve of \$1,506.53, thus indicating a net utility plant of \$4,884.78.

The reasons given for the proposed transfer are that Sellers desire to retire from active ownership and management of the water system and it is the intent of Buyers to assume the operation and management of the water system in conjunction with their other affairs.

The action taken herein shall not be construed as a finding of value of the properties herein authorized to be transferred.

The Commission having considered the above-entitled application, and being of the opinion that a hearing is not necessary, that the proposed transfer is not adverse to the public interest, that the money, property or labor to be procured or paid for by the issue of the notes herein authorized is reasonably required for the purposes specified herein, and that the application should be granted in so far as the operative property of the public utility is concerned, therefore,

IT IS HEREBY ORDERED that:

- 1a. Floyd E. Parks and Amelia Parks may, on or after the effective date hereof and on or before June 30, 1956, sell and transfer the public utility properties referred to herein to Karl M. Wilson and LaVerda M. Wilson pursuant to the escrow instructions dated October 20, 1955, attached to the application as Exhibit "A".
- b. Karl M. Wilson and LaVerda M. Wilson may consecutively with the above, on or after the effective date hereof and on or before June 30, 1956, sell and transfer an undivided one-half interest in the public utility properties referred to herein to Lloyd P. Britt pursuant to the escrow instructions dated November 23, 1955, attached to the application as Exhibit "B".
2. Karl M. Wilson and LaVerda M. Wilson, after the effective date hereof, and on or before June 30, 1956, may issue their promissory note in the principal amount of \$26,500 substantially in the form shown in Exhibit "E" attached to the application, for the properties and purpose described in the foregoing opinion. Karl M. Wilson and LaVerda M. Wilson shall file with the Commission monthly reports as required by General Order No. 24-A which order, in so far as applicable, is hereby made a part of this order.
3. Lloyd P. Britt, after the effective date hereof, and on or before June 30, 1956, may issue his note in the amount of \$26,500 substantially in the form shown in Exhibit "H" attached to the application, for the properties and purpose described in the foregoing opinion. Lloyd P. Britt shall file with the Commission monthly reports as required by General Order No. 24-A which order, in so far as applicable, is hereby made a part of this order.
4. On or before the date of actual transfer, Floyd E. Parks and Amelia Parks shall refund all customers' deposits and customers' advances for construction which customers are entitled to have refunded. Any unrefunded deposits and advances shall be transferred to and become the obligation for refund by Karl M. Wilson, LaVerda M. Wilson, and Lloyd P. Britt, co-partners.
5. On or before the date of actual transfer, Floyd E. Parks and Amelia Parks shall transfer and deliver to Karl M. Wilson, LaVerda M. Wilson and Lloyd P. Britt, co-partners, and the latter shall receive and preserve all records, memoranda, and papers pertaining to the construction and operation of the public utility properties herein authorized to be transferred.
6. Karl M. Wilson, LaVerda M. Wilson and Lloyd P. Britt, co-partners, if they acquire the hereinabove described

properties, shall refile within thirty days after the date of transfer the rates and rules of Floyd E. Parks and Amelia Parks now on file in accordance with the procedure prescribed by General Order No. 96 or, in lieu of such refileing, Karl M. Wilson, LaVerda M. Wilson and Lloyd P. Britt, co-partners, may file a notice of adoption of the said presently filed rates and rules. No increase in the present rates and rules shall be made unless authorized by the Commission.

- 7. If the authority herein granted is exercised, Floyd E. Parks and Amelia Parks shall, within thirty days thereafter, notify this Commission in writing of the date of such completion of the property transfer herein authorized and of their compliance with the conditions hereof.
- 8. Upon due compliance with all the conditions of this order, said Floyd E. Parks and Amelia Parks shall stand relieved of all further public utility obligations and liabilities in connection with the operation of the public utility water system herein authorized to be transferred.

The authority herein granted to issue notes will become effective when Buyers, Karl M. Wilson and LaVerda M. Wilson, have paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$27, and when Buyer Lloyd P. Britt has paid the fee prescribed by said Section 1904(b), which fee is \$27. In all other respects, the effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 27th day of March, 1956.

E. N. [Signature]
President

Justin J. [Signature]

[Signature]

[Signature]

[Signature]
Commissioners

