

ORIGINALDecision No. 58914

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of ROBERT E. MICHELSEN)
 and SAN LORENZO VALLEY COUNTY WATER)
 DISTRICT for authorization for sale)
 by ROBERT E. MICHELSEN to SAN)
 LORENZO VALLEY COUNTY WATER DISTRICT)
 of the water system and assets of)
 "BEN LOMOND REDWOOD PARK WATER)
 COMPANY".)

Application No. 41299

OPINION AND ORDER

Robert E. Michelsen¹, doing business as Ben Lomond Redwood Park Water Co., by application filed July 14, 1959, seeks authority to sell and transfer his public utility water system to San Lorenzo Valley County Water District², which joins in the application.

The subject water system serves the unincorporated communities of Ben Lomond Redwood Park, Rowardennan Redwood Park, Ben Lomond Terrace, and vicinity, south of the community of Ben Lomond, Santa Cruz County. Commission records indicate that as of the end of 1957 the utility served approximately 130 customers.

According to the application, the consideration for the transfer is to be the sum of \$11,814.15 in cash, which sum has been placed in escrow. The sale is ready to be consummated upon approval of the Commission.

1 Sometimes hereinafter called "Seller".
 2 Sometimes hereinafter called "District".

The reason given for the proposed transfer is that Seller does not have the ability or funds to make certain improvements required immediately and estimated to cost \$2,000, as well as additional improvements costing approximately \$5,250, which will be required over the next three years. District has the necessary funds and alleges that it intends to make the necessary improvements.

Commission records indicate that the operations of this water system were commenced prior to 1912 and that no certificate of public convenience and necessity to operate the system has ever been requested of or issued by this Commission. Seller acquired the system pursuant to authority granted by the Commission in Decision No. 57013 dated July 22, 1958, in Application No. 40178.

The utility's annual report to the Commission for the year ended December 31, 1957, shows as of that date total utility plant of \$16,846.37 and a depreciation reserve of \$3,135.06, indicating net utility plant of \$13,711.31.

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

The Commission, having considered the above-entitled application and being of the opinion that the proposed transfer will not be adverse to the public interest, that a public hearing is not necessary, and that the application should be granted; therefore,

IT IS HEREBY ORDERED that:

1. Robert E. Michelsen may, on or after the effective date hereof and on or before January 31, 1960, transfer the herein described public utility property to San Lorenzo Valley County Water District in accordance with the terms and conditions set forth in the application.

2. On or before the date of actual transfer, Robert E. Michelsen shall refund all customers' deposits and advances for construction which are subject to refund, if any, and within thirty days thereafter shall notify this Commission in writing of the date of the completion of such refunding.

3. If the authority herein granted is exercised, Robert E. Michelsen shall, within thirty days thereafter, notify this Commission in writing of the date of the completion of the property transfer herein authorized and of his compliance with the conditions hereof.

4. Upon due compliance with all of the conditions of this order, Robert E. Michelsen 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 effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 25th day of August, 1959.

Robert E. Michelsen
 President

S. Linton

Theodore Jenner
 Commissioners