

ORIGINAL

Decision No. 60140

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Karl M. Wilson,)
 LaVerda M. Wilson, and Lloyd P.)
 Britt to sell, and Fred Schram)
 and Wilma Schram to Purchase the)
 RAYMOND WATER WORKS, also known)
 as and called The Water System in)
 the Town of Raymond, California.)

Application No. 41982

OPINION AND ORDER

Karl M. Wilson, LaVerda M. Wilson and Lloyd P. Britt^{1/}
 doing business as Raymond Water Works, by application filed
 February 25, 1960, seek authorization to sell and transfer their
 public utility water system to Fred Schram and Wilma Schram^{2/}, who
 join in the application.

The water system serves the unincorporated community of
 Raymond and vicinity, which is located approximately 30 miles
 southeasterly of the City of Merced, in Madera County. Commission
 records indicate that the utility served approximately 40 customers
 as of December 31, 1958.

It appears that operations of the water system were begun
 prior to 1910, and that no certificate of public convenience and
 necessity has been sought of, nor issued by, this Commission. After
 several previous transfers of the subject utility, all of which were
 authorized by the Commission, Sellers acquired the system under
 authority granted by Decision No. 52823, dated March 27, 1956, in
 Application No. 27670.

^{1/} Sometimes herein called "Sellers".

^{2/} Sometimes herein called "Purchasers"

The application states that the original cost of the water system is unknown to the applicants. The utility's annual report to the Commission for the year ended December 31, 1957, shows as of that date utility plant in the amount of \$32,559.20 and depreciation reserve in the amount of \$3,937.97, indicating net utility plant of \$28,621.23. However, the utility's annual report for the year ended December 31, 1958, includes the notation "Not Applicable" under utility plant and excludes any figures relating to depreciation reserve. A listing of the property involved in the proposed transfer is set forth in an instrument entitled "Description", which is attached to the application as Exhibit "A".

The application alleges that the system is encumbered by a deed of trust and note of record in the amount of \$26,500, on which there was an unpaid balance of \$23,500, as of February 9, 1960, and that said note is payable in annual installments of \$1,000, together with interest at the rate of 5 percent per annum. Said note and deed of trust were authorized by Decision No. 52823, supra, and the application states that it was recorded April 17, 1956 in Volume 666 of Madera County official records in favor of Floyd E. Parks and Amelia Parks, husband and wife, as joint tenants.

The application contains a statement that the consideration for the proposed transfer is \$46,500, Purchasers having assumed the above-mentioned deed of trust, which at the time of the sale amounted to \$24,500, and that the balance of the purchase price was paid to Sellers in cash.

It is stated that Sellers are no longer engaged in cattle business and that, since the major portion of their property is cattle grazing land, they desire to sell all their right, title and interest in and to the water system. It is further stated that

Purchasers are actively engaged in cattle business on said property and that they are willing and able to accord time and attention to the operation of the water system as is needed properly to serve the system's customers.

Based upon an investigation by the Commission staff, it appears that Purchasers are capable of acquiring the water system and continuing its operation as a public utility. A financial statement for Purchasers dated June, 1958, is attached to the application as Exhibit "C".

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. Karl M. Wilson, LaVerda M. Wilson and Lloyd P. Britt may, on or after the effective date hereof and on or before November 30, 1960, transfer their public utility water system, known as Raymond Water Works, to Fred Schram and Wilma Schram in accordance with the terms and conditions set forth in the application herein, and Fred Schram and Wilma Schram may assume the payment of the outstanding note and deed of trust referred to herein.

2. The rates and rules of Karl M. Wilson, LaVerda M. Wilson and Lloyd P. Britt, now on file with this Commission, shall be refiled within thirty days from the date of actual transfer under the names of Fred Schram and Wilma Schram, in accordance with the procedure prescribed by General Order No. 96, or, in lieu of such refiling, Fred Schram and Wilma Schram may file a notice of adoption of said presently filed rates and rules. No increases in the presently filed rates and rules shall be made unless otherwise properly authorized by this Commission.

3. On or before the date of actual transfer, Karl M. Wilson, LaVerda M. Wilson and Lloyd P. Britt shall refund all customers' deposits and advances for construction, if any, which are subject to refund. Any such unrefunded deposits and advances shall be transferred to and become the obligation for refund of Fred Schram and Wilma Schram.

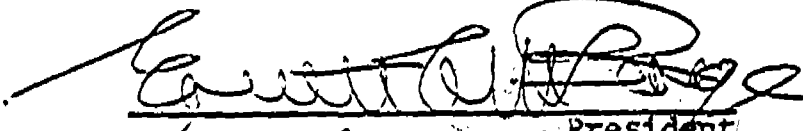
4. On or before the date of actual transfer, Karl M. Wilson, LaVerda M. Wilson and Lloyd P. Britt shall transfer and deliver to Fred Schram and Wilma Schram, and the latter shall receive and preserve, all records, memoranda and papers pertaining to the construction and operation of the properties herein authorized to be transferred.


5. If the authority herein granted is exercised, Karl M. Wilson, LaVerda M. Wilson and Lloyd P. Britt 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.

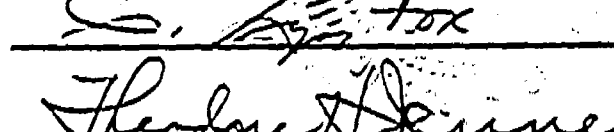
6. Upon due compliance with all of the conditions of this order, Karl M. Wilson, LaVerda M. Wilson and Lloyd P. Britt shall stand relieved of all further public utility obligations and liabilities in connection with the operation of the public utility water system herein authorized to be transferred.

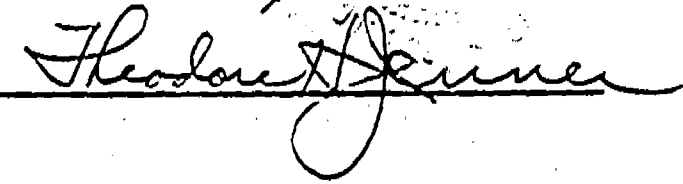
The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 24th day of May, 1960.



President






Commissioners