

ORIGINAL

Decision No. 62429

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Investigation on the Commission's)	
own motion into the operations,)	
service and practices of the HAPPY)	Case No. 6679
VALLEY WATER COMPANY, a corporation,)	(Filed July 29, 1960)
and into the adequacy of its finances,)	
water supply and facilities.)	

Robert I. Plotts, Thomas P. Plotts and L. C. Smith, for Happy Valley Water Company, respondent.
William L. Knecht, for California Farm Bureau Federation, and Shasta County Farm Bureau; Jack Lee Burford, for Department of Water Resources; and Henry R. McArthur, for himself, interested parties.
Elmer Sjostron and John V. Gibbons for the Commission staff.

SECOND INTERIM OPINION

Five days of public hearings have been held before Examiner William W. Dunlop on this investigation on the Commission's own motion into the operations, service and practices of the Happy Valley Water Company and into the adequacy of its finances, water supply and facilities.

Respondent is a public utility water corporation providing irrigation service in the communities of Ono, Igo and Olinda and adjacent areas all in Shasta County.

The evidence shows, among other things, that Happy Valley Water Company is not rendering adequate water service to its customers; that water deliveries are irregular, erratic and undependable; that customers have suffered great damage to their crops as a result thereof; that the entire system is in need of rehabilitation; and that such rehabilitation is estimated to cost approximately \$75,000.

Respondent claims it has been unable to finance the cost of rehabilitation of its system. However, the record discloses that Happy Valley Water Company, owned or controlled by Thomas Plotts, Robert Plotts and L. C. Smith, is in the process of transferring a considerable acreage of land to the Shasta Corporation in return for shares of stock in the latter; that the Shasta Corporation is owned by Thomas Plotts, Robert Plotts, and L. C. Smith; and that Shasta Corporation in turn is transferring its assets to the R.T.L. Investment Company owned by Thomas Plotts, Robert Plotts and L. C. Smith. The record further discloses that Happy Valley Water Company recently sold a tractor to the Shasta Corporation.

Based on the evidence of record we find and conclude it to be in the public interest until further investigation and order herein to issue an interim order effective on the date hereof providing that Happy Valley Water Company, a corporation, shall not dispose of any of its assets, including any lands now standing of record in the name of the Happy Valley Water Company on the records of the County Recorder's Office of Shasta County without first having secured from this Commission an order authorizing it to do so.

SECOND INTERIM ORDER

Public hearing in the above-entitled proceeding having been held and based on the evidence of record and the finding contained in the foregoing opinion,

IT IS ORDERED that until authorization of the Commission has first been obtained, Happy Valley Water Company shall not dispose of any of its assets, including any lands now standing of record in the

name of Happy Valley Water Company on the records of the County Recorder's Office of Shasta County.

IT IS FURTHER ORDERED that the Secretary is directed to cause a certified copy of this opinion and order to be served upon Happy Valley Water Company and mail a copy to the County Recorder's Office of Shasta County.

The effective date of this order shall be the date hereof.

Dated at _____, California,
this _____ day of _____, 1961.

Wesley W. Page

 President

W. Mitchell

W. Fox

George H. Grover

 Commissioners