

ORIGINAL

Decision No. 62916

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Ellard H. Beans and
Adelaide Beans, doing business as
TAHOE TAVERN HEIGHTS WATER COMPANY,
to sell, and CHARLES P. BEARDSLEY,
GORDON D. MOYER and ROBERT L. IVES
to buy, and issue a note and
Chattel Mortgage

Application No. 43944

O P I N I O N

This application was filed on November 21, 1961, for an order of the Commission authorizing Ellard H. Beans and Adelaide Beans to sell the Tahoe Tavern Heights Water Company to Charles P. Beardsley, Gordon D. Moyer and Robert L. Ives.

The application shows that Ellard H. Beans and Adelaide Beans had acquired certain real property at Tahoe Tavern Heights in Placer County, and that, in 1950, they had received a certificate of public convenience and necessity to operate a public utility water system in the area and that they had constructed and had continued to operate a public utility water system. They now report that they have made arrangements to sell their holdings, including the public utility water system, to Charles P. Beardsley, Gordon D. Moyer and Robert L. Ives and that the separate price assigned to the water system is \$4,500 which will be represented by a note payable in annual installments of \$900, with interest at the rate of 6 per cent per annum, payment to be secured by a deed of trust.

The utility's 1960 annual report shows the reported original cost of the system at \$27,449 and the accumulated depreciation reserve at \$5,175, the operating revenues at \$1,705 and expenses at \$2,027, and 32 service connections. Our investigation indicates that the purchasers are financially responsible and have resources which should be ample to permit them to take over and to continue the public service obligations of the present owners.

We have considered this matter and find and conclude that the proposed transfer will not be adverse to the public interest; that the money, property or labor to be procured or paid for by the issue of the note herein authorized is reasonably required for the purpose specified herein; and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income. An order will be entered granting the application.

The authority herein granted is for the purpose of this proceeding only and is not to be construed to be a finding of the value of the property herein authorized to be transferred nor indicative of amounts to be included in the utility plant accounts nor in a rate base for the purpose of determining just and reasonable rates.

O R D E R

The Commission having considered the above-entitled matter and being of the opinion that a public hearing is not necessary,

IT IS ORDERED that -

1. Ellard H. Beans and Adelaide Beans, on or after the effective date hereof and on or before April 30, 1962, may sell the public utility water system known as Tahoe Tavern Heights Water Company to Charles P. Beardsley, Gordon D. Moyer and Robert L. Ives, who, in payment therefor, may execute a deed of trust and issue a note in the principal amount of not to exceed \$4,500.

2. Upon acquisition of said public utility water system, the purchasers shall set up on their books of account the balances in the utility plant and depreciation reserve accounts of the sellers.

3. Charles P. Beardsley, Gordon D. Moyer and Robert L. Ives shall file with the Commission a report, or reports, of the issue of said note as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

4. On or before the date of actual transfer, Ellard H. Beans and Adelaide Beans shall -

- a. Refund all deposits, if any, which customers are entitled to have refunded. Any unrefunded deposits shall be transferred to and shall become the obligation for refund by the purchasers, and shall
- b. Transfer all advances for construction, if any, held by them and further, the sellers and the purchasers shall, within 15 days after the date of transfer, jointly file with this Commission a certified copy of an appropriate instrument showing the names and addresses of all persons or corporations in whose favor such obligations exist and the amounts thereof.

5. The rates and tariff service area map of Ellard H. Beans and Adelaide Beans, doing business as Tahoe Tavern Heights Water Company, now on file with this Commission shall be refiled within 30 days after the date of actual transfer under the names of the purchasers in accordance with the procedure prescribed by General Order No. 96, or, in lieu of such refiling, the purchasers may file a notice of adoption of said presently filed rates and tariff service area map. No increases in the presently filed rates shall be made unless properly authorized by this Commission.

6. Charles P. Beardsley, Gordon D. Moyer and Robert L. Ives, within 30 days after the date of actual transfer, shall file in quadruplicate with this Commission, in conformity with the provisions of General Order No. 96, and in a manner acceptable to this Commission, rules governing customer relations revised to reflect present-day operating practices and sample copies of printed forms that are normally used in connection with customers' services. Such rules and forms shall become effective upon five days' notice to the Commission and to the public after filing as hereinabove provided.

7. If the authority herein granted is exercised, Charles P. Beardsley, Gordon D. Moyer and Robert L. Ives shall determine the accruals for depreciation by dividing the original cost of utility plant, less estimated future net salvage less depreciation reserve, by the estimated remaining life of the plant. They shall review the accruals as of January 1 of the year following the date of actual transfer and thereafter when major changes in depreciable utility plant composition occur and at intervals of not more than five years. Results of these reviews shall be submitted to this Commission.

8. On or before the date of actual transfer, Ellard H. Beans and Adelaide Beans, doing business as Tahoe Tavern Heights Water Company, shall transfer and deliver to the purchasers, who shall receive and preserve the same, all records, memoranda and papers pertaining to the construction and operation of the properties herein authorized to be transferred.

9. If the authority granted herein is exercised, Ellard H. Beans and Adelaide Beans, doing business as Tahoe Tavern Heights Water Company, within 30 days thereafter, shall 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.

10. Upon compliance with all of the conditions of this order, Ellard H. Beans and Adelaide Beans, doing business as Tahoe Tavern Heights Water Company, shall stand relieved of all further public utility obligations in connection with the operation of the public utility water system herein authorized to be transferred.

11. The authorization herein granted shall become effective when Charles P. Beardsley, Gordon D. Moyer and Robert L. Ives have paid the minimum fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$25.

Dated at San Francisco, California, this 12th of DECEMBER, 1961.

[Signature]
President

[Signature]

[Signature]

[Signature]

Commissioners

Commissioner C. Lyn Fox, being necessarily absent, did not participate in the disposition of this proceeding.

