

**ORIGINAL**Decision No. 67416

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of CHARLES KLAUSNER, of )  
 Sacramento County, California, for )  
 authority for CHARLES KLAUSNER to )  
 sell to JEWEL E. FRENCH and MARY E. )  
 WESTERFIELD, of Riverside County, )  
 California, all of his right, )  
 title and interest to the water )  
 system now operated by Charles )  
 Klausner, on United States Highway )  
 50, approximately 2 miles West of )  
 Echo Summit, in the County of El )  
 Dorado, and to transfer certificate )  
 of public convenience and necessity.)

Application No. 46036  
 Filed December 12, 1963

O P I N I O N

By this application, Charles Klausner (seller) and Jewel E. French and Mary E. Westerfield (purchasers) seek authority for the transfer of a water system and a certificate of public convenience and necessity. The Commission staff prepared a questionnaire to be filled out by purchasers, providing certain essential information lacking in the application. The completed questionnaire, signed and verified by purchasers, is hereby incorporated in the record as Exhibit No. 1.

Service Area and Water System

The water system provides a year-round flat rate water service to eight customers in a small area known as Audrain Subdivision, located in El Dorado County, adjacent to U. S. Highway 50 and about two miles west of Echo Summit. The area originally certificated to seller by Decision No. 49756, dated March 9, 1954, in Application No. 34941, included 38 residential lots and two commercial sites but some of the property owners have purchased two or more adjacent lots.

The water system consists primarily of two springs, one storage tank and approximately 1,800 feet of two-inch to three-inch pipe. Water from the springs is stored in the tank, whence it flows by gravity to the distribution mains.

#### Rates and Rules

Seller's present rates were filed in 1954, and consist of a schedule for residential flat rate service with an annual charge of \$18 and a monthly rate of \$3. Except for the revised main extension rule filed in 1963, seller's original rules filed in 1954 are still in effect. Purchasers propose to adopt seller's rates and rules.

#### Financial

Purchasers have paid \$9,177.07 to seller as the full purchase price of the water system. This price allegedly represents the undepreciated original cost of the system. Purchasers are hereby placed on notice that depreciation should have been accrued on the utility plant and that the unrecorded depreciation accruals could affect the amounts on which purchasers would be allowed to earn a return in future rate proceedings.

Purchasers' financial ability is indicated by their financial statement, Exhibit D to the application.

#### Findings and Conclusion

The Commission finds that:

1. The proposed sale and transfer will not be adverse to the public interest.
2. Purchasers have the financial ability to acquire and operate the water system.

The Commission concludes that the application should be granted as provided in the order which follows. The action taken

herein does not constitute a finding as to the value of original cost of the properties authorized to be transferred. A public hearing is not necessary.

O R D E R

IT IS ORDERED that:

1. Within one year after the effective date of this order, Charles Klausner (seller) may transfer to Jewel E. French and Mary E. Westerfield (purchasers) the water system and certificate referred to herein, substantially in accordance with the terms described herein.
2. After the effective date of this order, and not less than five days before the date of actual transfer, purchasers shall file a notice of adoption of seller's tariffs. Such filing shall comply with General Order No. 96-A. The notice of adoption shall become effective on the date of actual transfer.
3. On or before the date of actual transfer, seller shall refund all customers' deposits and advances for construction, if any, which are due and payable as of the date of transfer. All unrefunded deposits and advances shall be transferred to purchasers, who shall be responsible for their refund when due.
4. On or before the date of actual transfer, seller shall deliver to purchasers and purchasers shall receive and preserve, all records, memoranda and papers pertaining to the construction and operation of the properties authorized herein to be transferred.

