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ORIGINAL

Decision No. 68866

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of PAUL THOMPSON and THELMA)
THOMPSON, doing business as GLEN)
ELLEN WATER COMPANY, and VALLEY)
OF THE MOON COUNTY WATER DISTRICT,)
for authority for the former to)
sell and transfer a water system)
to the latter.)

Application No. 47294
(Filed January 27, 1965)

Jerome R. Lewis, for Paul Thompson and Thelma
Thompson; Leslie R. Hill and Jack Coffey, for
Valley of the Moon County Water District,
applicants.

OPINION AND ORDER

Paul Thompson and Thelma Thompson (sellers), husband and wife, doing business as Glen Ellen Water Company, seek authority to transfer their utility properties to Valley of the Moon County Water District (buyer) and to discontinue service. Buyer joins in the application.

A public hearing on this application was held before Examiner Catey at Sonoma on March 10, 1965. Notice of hearing had been published in accordance with this Commission's rules of procedure. Testimony was presented by one of the sellers and by the general manager of buyer. There were no protests to the proposed transfer. The matter was submitted at the conclusion of the hearing.

Sellers provide water service to some 340 customers in and about the unincorporated community of Glen Ellen, in Sonoma County. Buyer provides water service to approximately 2,700 customers in the nearby communities of Boyes Hot Springs, Fetters

Hot Springs, El Verano, Agua Caliente, and vicinity, southeast of Glen Ellen. Sellers' entire service area is within buyer's district boundaries, having been annexed on August 13, 1963.

Buyer had expressed its intention to acquire, by negotiation or condemnation, sellers' water system. Buyer and sellers then negotiated the basis for the sale and, on January 17, 1965, entered into the agreement attached to the pleading herein as Exhibit A. The agreed purchase price is to be \$56,500, in cash, modified to reflect plant changes during the period from January 1, 1964, to the closing date. Sellers' annual report to the Commission for the year ending December 31, 1963 shows utility plant of \$60,828 and depreciation reserve of \$23,798. Exhibit B attached to the pleading shows utility plant of \$50,543 and depreciation reserve of \$26,113 as of December 31, 1964. Sellers' annual reports to this Commission, which reports were incorporated herein by reference, indicate that the \$16,649 shown as "other assets (Historic Plant)" on Exhibit B is the acquisition adjustment resulting from sellers' purchase of the system from their predecessors.

Sellers' witness testified that he would refund all customers' deposits made to establish credit. He stated that he intended to refund in full the small outstanding amount of advances for construction. Those advances are related to about five main extension agreements.

Buyer and sellers state that the operation of the Glen Ellen water system by buyer will be in the public interest. Buyer's general manager testified that buyer has already installed an 8-inch feeder line to serve the Glen Ellen area with imported water made available under the State Water Plan, and that buyer can operate the Glen Ellen system efficiently in conjunction with buyer's existing system.

The Commission finds that the proposed transfer is not adverse to the public interest and concludes that it should be authorized, subject to the conditions of the order to follow.

The action taken herein is not to be construed as a finding of the value of the properties to be transferred.

IT IS ORDERED that:

1. Within one year after the effective date of this order, Paul Thompson and Thelma Thompson (sellers) may transfer to Valley of the Moon County Water District (buyer) the public utility water system serving Glen Ellen and vicinity, substantially in accordance with the terms of the agreement, Exhibit A, attached to the pleading herein.

2. On or before the date of actual transfer, sellers shall pay to holders of unexpired main extension agreements all unrefunded advances for construction related to those agreements and shall return to customers any refundable deposits made to establish credit.

3. Within thirty days after the date of actual transfer, sellers shall file in this proceeding written notification of the refunding of advances and deposits, the date of transfer, and the date upon which buyer shall have assumed operation of the water system authorized herein to be transferred. A true copy of the instrument or instruments of transfer shall be attached to the written notification.

4. Upon compliance with all of the conditions of this order, sellers shall stand relieved of their public utility obligations in the area served by the transferred system, and may discontinue service concurrently with the commencement of service by buyer.

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

Dated at San Francisco, California, this 13th day of APRIL, 1965.

Fredrick B. Hollofort
President
George E. Hoover
Augusta
William L. Bennett
Commissioners