

Decision No. 70670**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the authorization for Robert E. Shields doing business as Tahoe Pines Water Co., to sell and W. C. Frost, an individual, to purchase a public utility water system known as Tahoe Pines Water Co., and located at Tahoe Pines, Placer County, California.

Application No. 48288
(Filed March 7, 1966)

O P I N I O N

Robert E. Shields desires to sell, and W. C. Frost desires to purchase, a public utility water system known as Tahoe Pines Water Co. A copy of the purchase agreement is attached to the application. It provides that Shields will sell and Frost will purchase the water system free of encumbrances for the sum of \$5,000, and recites that Frost has full knowledge of Commission Decisions Nos. 70015 and 70316 in Case No. 8030, requiring certain improvements in and to such system.

Applicant Frost is president and sole stockholder of Tahoe Swiss Village, Inc., a corporation which has developed Tahoe Swiss Village Subdivision. He also owns and operates Tahoe Swiss Village Utility, a public utility operating a water system adjoining the Tahoe Pines Water Co. system.

No protests have been received. The application discloses that Frost is willing and able to operate the Tahoe Pines Water Co. system.

Decision No. 70015, dated November 30, 1965, amended by Decision No. 70316, dated February 8, 1966, in Case No. 8030, required Robert E. Shields, doing business as Tahoe Pines Water Co., to make certain improvements in the water system on or before certain specified dates. Those orders were made as a result of findings by the

Commission, following an investigation on its own motion, that the water system fails to meet the minimum requirements of General Order No. 103 and does not provide reasonably adequate service to present and prospective customers.

Public convenience and necessity require the improvements ordered in Decision No. 70015. The order in said decision is to Robert E. Shields, an individual. It would be adverse to the public interest if said improvements are not made.

We find, if W. C. Frost stipulates he is bound by the order in Decision No. 70015, as amended by Decision No. 70316, in place and stead of Robert E. Shields, that the proposed transfer will not be adverse to the public interest and that a public hearing is not necessary.

We conclude that the application should be granted as provided in the following order. The action taken herein does not constitute a finding of the value or original cost of the properties authorized to be transferred.

O R D E R.

IT IS ORDERED that:

1. Robert E. Shields, an individual, is authorized, after the effective date hereof and on or before March 1, 1967, to sell the properties described in this application which comprise the public utility water system known as Tahoe Pines Water Co. to W. C. Frost, an individual, for the sum of \$5000, upon condition that W. C. Frost, first shall file in this proceeding a verified statement that Decision No. 70015, dated November 30, 1965, as amended by Decision No. 70316, dated February 8, 1966, in Case No. 8030, directed to Robert E. Shields, shall be binding upon W. C. Frost and that he will make the improvements and will submit the monthly reports specified in said decisions as though he had originally been ordered to do so.

2. Within thirty days after the consummation of the transfer herein authorized, W. C. Frost shall notify the Commission, in writing, of that fact and within said period shall file with the Commission a true copy of any bill of sale or other instrument of transfer which may be executed to effect such transfer.

3. After the effective date of this order, and not less than five days before the date of actual transfer W. C. Frost shall file a notice of adoption of the tariffs of Robert E. Shields. Such filing shall comply with General Order No. 96-A. The effective date of the notice of adoption shall be the date of actual transfer.

4. On or before the date of actual transfer, Robert E. Shields 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 W. C. Frost, who shall be responsible for their refund when due.

5. On or before the date of actual transfer, Robert E. Shields shall deliver to W. C. Frost, who shall receive and preserve, all available records, memoranda and papers pertaining to the construction and operation of the properties authorized herein to be transferred.

6. After the effective date of this order, and not less than sixty days after the date of actual transfer, W. C. Frost shall refile tariffs of the water system, including a tariff service area map, clearly indicating the boundaries of the service area, the present schedules of rates, appropriate general rules, and copies of printed forms to be used in dealing with customers. Such filing shall comply with General Order No. 96-A.

7. W. C. Frost initially shall determine the depreciation rate by (1) subtracting the estimated future net salvage and the depreciation reserve from the original cost of plant; (2) dividing the result by the estimated remaining life of the plant; and (3) dividing the quotient by the original cost of plant. He shall review the

accruals as of January 1 of the year following the date of transfer, at subsequent intervals of five years and whenever a major change in depreciable plant occurs. The results of each review shall be submitted promptly to the Commission.

8. On or before the end of the third month, after the consummation of the transfer, W. C. Frost shall cause to be filed with the Commission, in such form as it may prescribe, an annual report, or reports, covering the period commencing with the first day of the year in which the transfer is consummated to and including the effective date of the transfer.

9. Upon completion of the sale and transfer authorized herein and upon compliance with all the terms and conditions of this order, Robert E. Shields shall stand relieved of his public utility obligations in connection with the utility 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 10th day of MAY, 1966.

Frederick B. Silbloff
President

George H. Brewer

Rogers

William C. Bennett
Commissioners

Commissioner Peter E. Mitchell, being necessarily absent, did not participate in the disposition of this proceeding.