

**ORIGINAL**

Decision No. 71031

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of TILLYE MAY JOHNSON,  
owner, and LOYOLA C. MATTHEWS,  
operator, doing business as  
JOHNSON PARK WATER WORKS, to sell,  
and ETHEL F. DACUS and VERN E. DACUS,  
to purchase JOHNSON PARK WATER WORKS,  
a public utility water system.

Application No. 48543  
(Filed June 8, 1966)

O P I N I O N

Tillye May Johnson and Loyola C. Matthews request authority to sell and transfer and Ethel F. Dacus and Vern E. Dacus request authority to purchase and acquire a public utility water system. Authority is also requested to issue a note in the principal amount of \$8,300, and to execute a deed of trust and a security agreement.

The certificate of public convenience and necessity was granted by Decision No. 39558, dated October 22, 1946. The water system is known as Johnson Park Water Works and provides service to approximately 170 customers in Johnson Park and Johnson Park Subdivision, 2½ miles northeast of the town of Burney, Shasta County. The agreed consideration is \$13,500, with \$5,200 payable in cash and the balance to be represented by a promissory note payable in three annual installments, the last of which will be payable on January 1, 1970. Interest on the unpaid balance is payable at the rate of 6 percent per annum. Said note will be secured by a deed of trust and a security agreement.

As of November, 1965, applicant purchasers indicated a net worth in the amount of \$133,210.

It is alleged that Tillye May Johnson is not able to operate the system due to her advanced age and that her daughter, Loyola C. Matthews, is unable to continue the operation because of poor health.

The Commission finds that the proposed transfer, deed of trust and security agreement would 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. The action taken herein shall not be construed to be a finding of the value of the properties authorized to be transferred, nor as indicative of amounts to be included in proceedings for the determination of just and reasonable rates. A public hearing is not necessary.

The Commission concludes that the application should be granted.

O R D E R

IT IS ORDERED that:

1. After the effective date hereof and on or before March 1, 1967, Tillye May Johnson and Loyola C. Matthews may sell and transfer and Ethel F. Dacus and Vern E. Dacus may purchase and acquire the water system known as Johnson Park Water Works in accordance with the terms set forth in the application herein.
2. On or before the actual date of transfer, Tillye May Johnson and Loyola C. Matthews shall refund all customers' deposits and advances for construction, if any, which are subject to refund held by them. Within ten days thereafter they shall advise the Commission, in writing, that such refunds have been made. All unrefunded deposits and advances shall be transferred to and become the responsibility for refund of Ethel F. Dacus and Vern E. Dacus.
3. Within thirty days after the date of actual transfer, applicant buyers shall file with the Commission a notice of adoption of sellers' present tariff schedules.

4. Within ninety days after actual transfer, applicant buyers shall file revised rules governing service to customers, tariff service area maps, and a copy of printed forms normally used in connection with customers' services. Such filing shall be in conformity with General Order No. 96-A, and the new and revised sheets, if acceptable to this Commission, shall become effective upon the fifth day after being filed.

5. On or before the date of transfer, applicant sellers shall transfer and deliver to applicant buyers, and the latter shall secure and preserve all records, memoranda and papers pertaining to the construction and operation of Johnson Park Water Works. Within ten days thereafter, applicants shall jointly advise the Commission, in writing, that they have complied with such requirement.

6. Within thirty days after the consummation of the transfer herein authorized, applicant sellers shall notify the Commission, in writing, of the date thereof.

7. After the effective date hereof, applicant buyers may execute a deed of trust and a security agreement, and may issue a promissory note in the principal amount of not to exceed \$8,300 for the purpose set forth in this proceeding. Said documents shall be in the same form, or in substantially the same form, as those attached to the application.

8. Applicant buyers shall file with the Commission a report, or reports, as required by General Order No. 24-B, which order, insofar as applicable, is hereby made a part of this order.

9. On or before the end of the third month after the consummation of the transfer as herein authorized, Ethel F. Dacus and Vern E. Dacus shall cause to be filed with the Commission, in such form as the Commission may prescribe, an annual report, or reports, related to the operations of the sellers for the period commencing with the first day of the current year to and including the effective date of the transfer.

10. Ethel F. Dacus and Vern E. Dacus 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. They 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.

11. Upon compliance with all the conditions of this order, applicant sellers shall stand relieved of all further public utility obligations in connection with the operations of the public utility water system herein authorized to be transferred.

This order shall become effective when applicant buyers 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 26<sup>th</sup> day of JULY, 1966.

[Signature]  
President  
[Signature]  
[Signature]  
[Signature]  
Commissioners

