

**ORIGINAL**

Decision No. 72193

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application )  
of HAROLD L SAGE and WILLIAM L )  
SAGE, doing business as SAGE BROS. )  
WATER SERVICE, for an Order )  
authorizing the sale and transfer )  
of their public utility water )  
properties and related assets to )  
JOSEPH GLENN SELLARS and ALICE )  
SELLARS, and authorizing said )  
transferees to issue a \$15,200 )  
long-term note and to assume )  
certain indebtedness. )

Application No. 49191  
Filed March 9, 1967

O P I N I O N

This is an application for an order of the Commission authorizing Harold L. Sage and William L. Sage, doing business as Sage Bros. Water Service, to sell and transfer their public utility properties and related assets to Joseph Glenn Sellars and Alice Sellars, and authorizing the latter to assume an outstanding indebtedness of \$1,683.18 and to issue a note in the principal amount of \$15,200.

The application shows that Harold L. Sage and William L. Sage own and operate the public utility water systems known as Sage Bros. Water Service which serve approximately 245 customers located in and about the communities of South Shafter and North Shafter, Kern County. Certificates of public convenience and necessity to construct and operate the water systems were granted to said owners by Decision No. 45055,

dated November 28, 1950, in Application No. 31358 and Decision No. 59915, dated April 12, 1960, in Application No. 41424. The balance sheet, attached to the application as a part of Exhibit A, indicates that the partners' equity in the business as of December 31, 1966 was \$41,802.

According to the application, Harold L. Sage and William L. Sage also are the proprietors of a water well drilling enterprise which they intend to move to Nevada. In view of the proposed relocation of their drilling operations, the partners plan to withdraw from the business of providing water service to the public by selling their utility properties and related assets to Joseph Glenn Sellars and Alice Sellars for an agreed price of \$20,000 of which \$1,633.18 will consist of the assumption of a previously authorized indebtedness, and the balance of \$18,316.82 will be in the form of cash.

In order to obtain a portion of the funds for financing the acquisition, Joseph Glenn Sellars and Alice Sellars request authority to issue a \$15,200 long-term note in favor of Bank of America National Trust and Savings Association. Said note will be secured by nonutility property and will be repayable in equal monthly installments of \$177 each, including interest at the rate of 7% per annum.

The application shows that for several years the purchasers have been associated with various phases of the operation of the water systems and that they are financially qualified to assume the obligations pertaining thereto.

The Commission has considered this matter and finds that: (1) the proposed transactions will not be adverse to the public interest; (2) 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 (3) such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income. A public hearing is not necessary.

On the basis of the foregoing findings we conclude that the application should be granted. The action taken herein shall not be construed as a finding of the value of the properties herein authorized to be transferred nor as indicative of amounts to be included in proceedings for the determination of just and reasonable rates.

O R D E R

IT IS ORDERED that:

1. On or before July 31, 1967, Harold L. Sage and William L. Sage, doing business as Sage Bros. Water Service, may sell and transfer, and Joseph Glenn Sellars and Alice Sellars may purchase and acquire, the public utility water properties and related assets referred to in this proceeding.
2. Joseph Glenn Sellars and Alice Sellars, on or before July 31, 1967, in acquiring said assets, may assume the outstanding indebtedness specified in the application and may issue a promissory note in the principal amount of not to

exceed \$15,200. Said note shall be in the same form, or in substantially the same form, as that attached to the application as Exhibit C.

3. Joseph Glenn Sellars and Alice Sellars 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.

4. On or before the date of actual transfer -

- a. Sellers shall refund all customers' deposits and all advances for construction, if any, which are due to be refunded at the date of transfer. Any unrefunded deposits and advances shall be transferred to and shall become the obligation for refund of Joseph Glenn Sellars and Alice Sellars.
- b. Sellers shall transfer and deliver to purchasers all records, memoranda and papers pertaining to the construction and operation of the properties herein authorized to be transferred and purchasers shall receive and preserve the same.

5. If the authority herein granted to transfer properties is exercised, Joseph Glenn Sellars and Alice Sellars, within thirty days thereafter, shall notify the Commission, in writing, of the date of completion of such transfer.

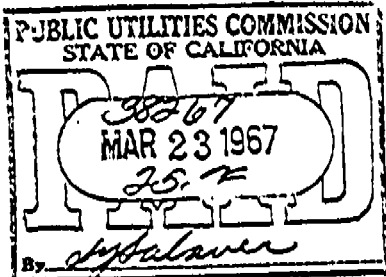
6. Joseph Glenn Sellars and Alice Sellars shall file within five days after the effective date of the transfer, a notice of adoption of the presently filed rates and rules of sellers in accordance with the procedure prescribed by General Order No. 96-A. No increases in presently filed rates shall be made unless authorized by this Commission.

7. On or before the end of the third month after the consummation of the transfer as herein authorized, Joseph Glenn Sellars and Alice Sellars 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.

8. Upon compliance with all of the conditions of this order, Harold L. Sage and William L. Sage, doing business as Sage Bros. Water Service, shall stand relieved of all further public utility obligations in connection with the operation of the public utility water systems herein authorized to be transferred.

9. This order shall become effective when Joseph Glenn Sellars and Alice Sellars 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 21st day of MARCH, 1967.



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