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ORIGINAL

Decision No. 72265

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of CHARLES P. BEARDSLEY,)
 GORDON D. MOYER, and ROBERT L. IVES,)
 doing business as TAHOE TAVERN)
 HEIGHTS WATER COMPANY, for permis-)
 sion to sell TAHOE TAVERN HEIGHTS)
 WATER COMPANY and related services,)
 facilities, and appurtenances to)
 TAHOE CITY PUBLIC UTILITY DISTRICT,)
 a body politic, incorporate.)

Application No. 49139
(Filed February 9, 1967)

O P I N I O N

Charles P. Beardsley, Gordon D. Moyer and Robert L. Ives (sellers), doing business as Tahoe Tavern Heights Water Company, seek authority to transfer their water system to Tahoe City Public Utility District (buyer), and to discontinue service. Buyer joins in the application.

Sellers' annual report to this Commission for the year 1965 shows that sellers serve about 57 customers. The service area includes a 100-acre subdivision near Tahoe City, Placer County, on the north shore of Lake Tahoe. A comparison of Exhibit "B", a map showing the territory served by sellers, and Exhibit "C", a map showing the territory within buyer's boundaries, shows that sellers' territory is entirely within that of buyer.

Buyer conducts various utility operations, including water service. Sellers' water system can be operated in conjunction with, and as an integral part of, buyer's present facilities.

On September 12, 1966, sellers and buyer entered into an agreement, a copy of which is attached to the application as Exhibit "D", providing for the sale of the water system. The agreed purchase price is \$25,000, exclusive of certain tank sites and certain access driveways and parking space near the lakeshore diversion and pumping facilities. Sellers will grant a perpetual easement for use of the tank site, with an option permitting buyer to acquire fee title to the site for \$4,000. Buyer is also given an option to obtain fee title to the leased lakeshore facilities without further compensation.

A cash payment of 50 percent of the purchase price will be paid on the closing date by buyer from funds it has on hand. The remaining 50 percent of the purchase price is payable in annual installments which will include interest at 4 percent per year on the declining unpaid balance. The source of funds for the annual installments is to be half of the gross revenues from buyer's operation of the system.

Sellers have no unrefunded advances for construction nor contributions in aid of construction. As of December 31, 1965, the net book cost of sellers' facilities was:

<u>Item</u>	<u>Amount</u>
Gross Plant	\$42,739
Depreciation Reserve	8,755
Net Plant	\$33,984

Sellers' 1965 annual report to this Commission shows that it had no customers' deposits on December 31, 1965. Inasmuch as buyer's rules regarding refunding such deposits may differ from those of sellers, and the agreement of sale does not mention any deposits, it is appropriate that any outstanding deposits be refunded prior to the transfer.

Finding and Conclusion

The Commission finds that the proposed transfer is not adverse to the public interest.

The Commission concludes that the transfer should be authorized ex parte, subject to the conditions of the order which follows.

The authorization herein granted does not constitute a finding as to the value of the properties herein authorized to be transferred.

O R D E R

IT IS ORDERED that:

1. Within one year after the effective date of this order, Charles P. Beardsley, Gordon D. Moyer and Robert L. Ives (sellers) may transfer to Tahoe City Public Utility District (buyer) the public utility water system serving Tahoe Tavern Heights and vicinity, Placer County, substantially in accordance with the terms of the agreement, Exhibit "D" attached to the application.
2. On or before the date of actual transfer, sellers shall return to customers any refundable deposits made to establish credit.
3. Within ten days after the date of actual transfer, sellers shall file in this proceeding written notification of the refunding of all 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 the conditions of this order, sellers shall stand relieved of all 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 twenty days after the date hereof.

Dated at San Francisco, California, this 11th day of APRIL, 1967.

[Signature]
President
[Signature]
Negotiator
[Signature]
William Sproule, Jr.
[Signature]
Commissioners