

**ORIGINAL**Decision No. 75735

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
 Ebb Huggins and Helen M. Huggins, dba  
 the Black Butte Water Co. for authority  
 to sell and transfer all of the public  
 utility property thereof to the North  
 Valley Services Corporation, a  
 California corporation.

Application No. 51017  
 (Filed April 21, 1969)

O P I N I O N

Ebb Huggins and Helen M. Huggins, doing business as Black Butte Water Co., request authority to sell and transfer, and North Valley Services Corporation requests authority to purchase and acquire, a public utility water system.

The water system is located approximately one and one-half miles northwest of Orland, Glenn County, California, and was created and designed to serve a subdivision consisting of approximately twenty-nine lots. The authority covering said system was granted by Decision No. 70863 in Application No. 48235.

Applicant sellers were the owners and the developers of the subdivision area, which was subject to a deed of trust to the Chico Savings and Loan Association. On February 21, 1967, pursuant to a foreclosure of said deed of trust, the Chico Savings and Loan Association acquired title to all of the subdivision with the exception of .21 acres of land upon which the water system and equipment are located.

Applicant sellers have executed a quitclaim deed covering the .21 acres of land and all assets of the water system to North

Valley Services Corporation, a subsidiary of Chico Savings and Loan Association.

Chico Savings and Loan Association, as owner of the subdivision, desires to develop the remaining lots and North Valley Services Corporation desires to take over the water system and to resume service.

After consideration the Commission finds that the proposed transfer would not be adverse to the public interest. A public hearing is not necessary.

O R D E R

IT IS ORDERED that:

1. After the effective date hereof and on or before December 1, 1969, Ebb Huggins and Helen M. Huggins may sell and transfer, and North Valley Services Corporation may purchase and acquire, the water system known as Black Butte Water Co. in accordance with the terms set forth in the application herein.
2. On or before the actual date of transfer, sellers shall refund all customers' deposits and refunds currently due under advances for construction contracts, if any, which are subject to refund held by them. All unrefunded deposits and advances shall be transferred to and become the responsibility for refund of purchaser.
3. After the effective date of this order, and not less than five days before the actual transfer, purchaser shall file a notice of adoption of sellers' tariffs. 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. Within ninety days after the actual transfer, purchaser 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, sellers shall transfer and deliver to purchaser, and the latter shall secure and preserve all records, memoranda and papers pertaining to the construction and operation of Black Butte Water Co.

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

7. On or before the end of the third month after the consummation of the transfer as herein authorized, purchaser 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. Purchaser shall apply a depreciation rate of 3 percent to the original cost of depreciable plant. Until review indicates otherwise, purchaser shall continue to use this rate. Purchaser shall review its depreciation rate at intervals of five years and whenever a major change in depreciable plant occurs. Any revised depreciation rate shall be determined by (1) subtracting the estimated future net salvage and the depreciation reserve from the original cost of plant; (2) dividing the remainder by the estimated

remaining life of the plant; and (3) dividing the quotient by the original cost of plant. The results of each review shall be submitted promptly to the Commission.

9. Upon compliance with all the conditions of this order, sellers shall stand relieved of all further public utility obligations in connection with the operation of the public utility water 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 3rd day of JUNE, 1969.

William Sproull  
President  
Negotiator  
Fred P. Monsey  
J. P. ...  
Commissioners