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Decision No. 79100

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Richard J. Baunhausser,)
 an Individual, doing business as)
 RAY PERRY WATER COMPANY, to sell and)
 Ray A. Perry, an Individual, doing)
 business as RAY PERRY WATER SERVICES,)
 P. O. Box 103, Soulsbyville,)
 California to buy the water system)
 serving Oak Garden Estates Subdivision)
 and several contiguous properties near)
 Soulsbyville, California, in Tuolumne)
 County.)

Application No. 52652
(Filed May 28, 1971)

O P I N I O N

Applicant Richard J. Baunhausser (hereinafter called seller) seeks authority to sell and applicant Ray A. Perry (hereinafter called buyer) seeks authority to buy the public utility water system owned by seller, known as the Oak Garden Estates Water System, serving 14 customers in Oak Garden Estates Subdivision, a portion of Section 36, T.2 N., R.15 E., MDB& M., near the community of Soulsbyville, in Tuolumne County, California.

The water system properties consist of two wells, two pumps having a capacity of 28 and 41 GPM, respectively, two storage tanks with combined capacity of 40,000 gallons, 4,678 feet of water main, 42 services of which 18 are active, two fire hydrants, a small frame pumphouse and two small booster pumps. As of December 31, 1970, the original cost of the property being transferred is \$22,230.08, the depreciation reserve is \$2,444.45, resulting in a net book cost of \$19,785.63. The selling price is \$19,785.63. A copy of the sales agreement and a copy of Buyer's Financial Statement as of March 12, 1971 are attached

to the application. The sales agreement provides that the purchase price of \$19,785.63 shall be satisfied by the payment of \$3,250 by the buyer to the seller and amounts previously earned by but not paid to the buyer in consideration of his operation, maintenance and improvement of the water system.

Buyer has operated the system since 1964 and formerly operated the Willow Springs Ranch Mutual Water Company. His financial statement shows a net worth of \$42,450.00. Seller desires to dispose of the water system because it interferes with his work as a real estate broker and is not a logical extension thereof.

The Commission finds that:

1. The proposed sale and transfer is not adverse to the public interest.
2. Buyer has the financial resources to acquire and operate the water system known as the Oak Garden Estates Subdivision.
3. It is reasonable for buyer to apply the present rates of seller in the service area of the Oak Garden Estates Subdivision.
4. A public hearing is not necessary.

On the basis of the foregoing findings the Commission concludes that the application should be granted as provided by the following order.

The authorization herein granted shall not be construed as a finding of the value of the rights and properties herein authorized to be transferred nor as indicative of the 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 after the effective date hereof and on or before November 30, 1971, Richard J. Baunhausser (seller), doing business as Ray Perry Water Company, may transfer and sell to Ray A. Perry

(buyer), doing business as Ray Perry Water Services, and the latter may acquire the public utility water system referred to herein, substantially in accordance with the terms of the Sales Agreement attached to the application herein, together with the operating rights pertaining thereto.

2. Buyer shall file, within ten days after the effective date of the transfer, a notice of adoption of the presently filed rates and rules of seller, 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.

3. On or before the date of actual transfer of the specific properties herein authorized, seller shall transfer and deliver to buyer and the latter shall receive and preserve all records, memoranda and papers pertaining to the construction and operation of the properties herein authorized to be transferred.

4. On or before the end of the third month after consummation of the transfer as herein authorized, buyer 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 seller for the period commencing with the first day of the current year to and including the effective date of the transfer.

5. Within ten days after the actual date of transfer, seller and buyer jointly shall file in this proceeding (a) a written statement showing the date of transfer and the date upon which buyer assumed operation of the water system herein authorized to be transferred, and (b) a true copy of each instrument of transfer of said water system and operating rights.

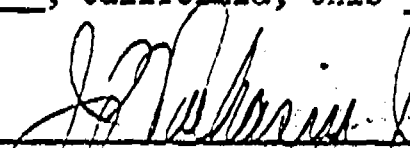
6. Buyer shall file, within ninety days after the effective date of the transfer, two copies of the water system map, required by paragraph I:10.a. of General Order No. 103 of the water system facilities herein authorized to be transferred.


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7. Upon compliance with all of the above conditions of this order, seller shall stand relieved of all further public obligations in connection with the operation of the public utility water system properties and operating rights 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 31st day of AUGUST, 1971.



Chairman








Commissioners