

Decision No. 79386

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Earl B and Ethel)
 B Marr DBA Tahoe Cedars Water)
 Co to transfer their water)
 system properties to Mid-Sierra)
 Water Utility, Inc and of)
 Mid-Sierra Water Utility, Inc)
 to issue stock and to assume)
 outstanding indebtedness.)

Application No. 52950
Filed October 29, 1971

O P I N I O N

Earl B. Marr and Ethel B. Marr, doing business as Tahoe Cedars Water Co., seek an order of the Commission authorizing them to transfer their water system properties to Mid-Sierra Water Utility, and the latter seeks authority to issue 10,000 shares of its \$10 par value common stock and to assume outstanding indebtedness.

Earl B. Marr and Ethel B. Marr operate a public utility water system serving the Tahoma area of El Dorado and Placer Counties. At December 31, 1970, they report total assets of \$226,393, offset by liabilities and proprietary capital in the respective amounts of \$123,690 and \$102,703.

Mid-Sierra Water Utility is a California corporation incorporated on or about October 22, 1971. It proposes to acquire said water system properties, subject to existing liabilities, in exchange for 10,000 shares of its \$10 par value common stock.

After consideration the Commission finds that: (1) the proposed transactions would not be adverse to the public interest; (2) the money, property or labor to be procured or paid for by the issue of the stock 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. On the basis of these findings we conclude that the application should be granted. A public hearing is not necessary.

In issuing our order herein we place Mid-Sierra Water Utility and its shareholders on notice that we do not regard the number of shares outstanding, the total par value of the shares nor the dividends paid as measuring the return it should be allowed to earn on its investment in plant, and that the authorization herein granted is not to be construed as a finding of the value of the company's stock or properties 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. Earl B. Marr and Ethel B. Marr may sell and transfer, and Mid-Sierra Water Utility may purchase and acquire, the water system properties referred to in the application.

2. On or after the effective date hereof and on or before March 31, 1972, Mid-Sierra Water Utility, in acquiring said water system properties, may assume outstanding liabilities and issue not exceeding 10,000 shares of its \$10 par value common stock.

3. Mid-Sierra Water Utility shall file with the Commission the report required by General Order No. 24-B, which order, insofar as applicable, is hereby made a part of this order.

4. Within thirty days after the consummation of the transfer herein authorized, Mid-Sierra Water Utility shall notify the Commission, in writing, of that fact and within said period shall file with the Commission a true copy of any bill of sale or other instrument of transfer which may be executed to effect said transfer.

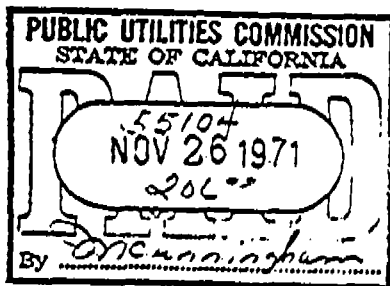
5. After the effective date of this order, and not less than five days before the date of actual transfer, Mid-Sierra Water Utility shall file with the Commission a notice of adoption of the presently filed rates and rules of the transferors in accordance with the procedure prescribed by General Order No. 96-A. The effective date of the notice of adoption shall be concurrent with the date of actual transfer. No increases in presently filed rates shall be made unless authorized by this Commission.

6. On or before the date of actual transfer, Earl B. Marr and Ethel B. Marr shall refund all customers' deposits and advances for construction, if any, which are due and payable as of the date of transfer. All unrefunded deposits and advances shall be transferred to Mid-Sierra Water Utility, which shall be responsible for their refund when due.

7. Upon compliance with all of the conditions of this order, Earl B. Marr and Ethel B. Marr shall stand relieved of all further public utility obligations pertaining to the operations of the public utility water system herein authorized to be transferred.

8. This order shall become effective when Mid-Sierra Water Utility has paid the fee prescribed by Section 1904.1 of the Public Utilities Code, which fee is \$206.

Dated at San Francisco, California, this 23rd day of NOVEMBER, 1971.



William J. ... Chairman
[Signature]
[Signature]
[Signature] Commissioners

Commissioner J. P. Vukasin, Jr., being necessarily absent, did not participate in the disposition of this proceeding.