

Decision No. 81035

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of VERN E. and ETHEL F. DACUS, Owners doing business as JOHNSON PARK WATER WORKS, to sell, and CARL E. HUFFORD, DOLLY C. HUFFORD, MERLE E. WRAY and LENA P. WRAY to purchase JOHNSON PARK WATER WORKS, a public utility water system.

Application No. 53689
(Filed November 14, 1972)

O P I N I O N

Vern E. and Ethel F. Dacus own and operate a public utility water system known as Johnson Park Water Works. Water service is provided in an area known as Johnson Park located to the east of Burney, Shasta County, California.

By this application Vern E. and Ethel F. Dacus (sellers) wish to sell and transfer and Carl E. and Dolly C. Hufford and Merle E. and Lena P. Wray (purchasers) wish to purchase and acquire ownership of said water system.

The agreed purchase price is \$90,000 with \$25,000 as a down payment and a balance of \$65,000 payable in monthly installments of \$812, including 7 percent interest until paid in full.

Sellers allege that Vern E. Dacus is unable because of poor health to continue to provide the good service that his customers have received and to continue operation would endanger his health.

A review by the Commission staff of financial statements submitted by the buyers indicates that the buyers are capable of meeting the financial requirements of the sale. In addition, a review of the income statement set forth in the utility's annual report indicates that additional funds in the amount of \$11,719 could be available to service buyers' debt obligation resulting from the sale.

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

The money, property, or labor to be procured or paid for by the execution of the note herein authorized is reasonably required for the purposes specified herein, and such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income.

The Commission concludes that the application should be granted as provided in the order which follows. The action taken herein does not constitute a finding as to the value or original cost of the properties authorized to be transferred.

O R D E R

IT IS ORDERED that:

1. Within one year after the effective date of this order, Vern E. Dacus and Ethel F. Dacus may transfer to Carl E. Hufford, Dolly C. Hufford, Merle E. Wray, and Lena P. Wray their interest in the water system referred to herein substantially in accordance with the terms described herein.

2. After the effective date of this order, and not less than five days before the actual transfer, purchasers shall file a notice of adoption of system's 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.

3. On or before the date of actual transfer, sellers 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 purchasers who shall be responsible for their refund when due.

4. On or before the date of actual transfer, sellers shall deliver to purchasers, and purchasers shall receive and preserve, all available records, memoranda, and papers pertaining to the construction and operation of the properties authorized herein to be transferred.

5. Within five days after the date of actual transfer, sellers and purchasers jointly shall file in this proceeding a written statement showing:

- a. The date of transfer. A true copy of the instrument or instruments of transfer shall be attached to the statement.
- b. The dates of compliance with the foregoing paragraphs 3 and 4.

6. The sellers shall transfer to the buyers all existing accounting records and supporting documents of this utility.

7. The buyers shall record in their books of account the utility plant account balances and related reserve for depreciation as of January 1, 1972, as set forth in the tabulation on page 1 of the memorandum report and add thereto any additions and retirements recorded by the sellers from January 1, 1972 to the date of transfer.

8 a. The buyers, for the purposes set forth in this proceeding, may issue a note in the aggregate principal amount of not exceeding \$65,000 in the same form, or in substantially the same form, as Exhibit D attached to the application.

b. Buyers 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.

9. Upon compliance with all of the conditions of this order, sellers shall stand relieved of their public utility obligations in the area served by the transferred system and may discontinue service concurrently with the commencement of service by purchasers.

The authority herein granted to issue a note will become effective when buyers have paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$130. In other respects the effective date of this order is the date hereof.

Dated at ^{San Diego} _____, California, this 6th day of FEBRUARY, 1973.

Vernon L. Stinson President
William J. Lyons
[Signature]
Commissioners

I abstain

[Signature], Commissioner

I abstain

[Signature], Cr.

