

Decision No. 85075**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Joint Application)
 of TAHOE SIERRA WATER COMPANY, INC., a)
 California Corporation, CARL D. HOFFMAN)
 and LILY MAE HOFFMAN, its Sole)
 Stockholders, and the SOUTH TAHOE PUBLIC)
 UTILITY DISTRICT, a Public Corporation,)
 for an Order Authorizing Owners to Sell)
 and Transfer All of the Corporation's)
 Capital Stock to District, and)
 Authorizing District to Dissolve the)
 Corporation and to Distribute All)
 Corporate Assets to District.)

Application No. 56015
 (Filed October 21, 1975)

O P I N I O N

Tahoe Sierra Water Company, Inc., and Carl D. Hoffman and Lily Mae Hoffman, its sole stockholders seek authorization to sell and transfer all of their corporate stock to South Tahoe Public Utility District and to file amended articles of incorporation in the office of the Secretary of State to become a mutual water company.

Tahoe Sierra Water Company, Inc., owns and operates the water system serving portions of the territories in El Dorado County, California, within the exterior boundaries of South Tahoe Public Utility District.

Pursuant to an agreement, a copy which is attached to the application as Exhibit B, South Tahoe Public Utility District proposes to acquire the water system for \$670,921 plus the unpaid principal amount of assumed obligations described in said agreement. The \$670,921 is payable in installments over a 20-year period with interest on the unpaid principal at the rate of 8% per annum.

The reasons stated for the sale are that the corporation's stockholders of long standing are desirous of ending their interest in the corporation and that the manager of long standing is desirous of retiring leaving the corporation without experienced management.

It is alleged that the acquisition of the water system by South Tahoe Public Utility District would achieve economy of operation, improvement in service, and standardize maintenance and water rates.

It is stated that the corporation will be converted to a mutual water company and that the district will dissolve the corporation and distribute all corporate assets to the district.

After consideration the Commission finds that the proposed transfer would not be adverse to the public interest, and upon consummation of the transfer, that public convenience and necessity would no longer require Tahoe Sierra Water Company, Inc., to serve within the area herein considered. The Commission further finds that it has no objection to Tahoe Sierra Water Company, Inc., filing an amended articles of incorporation in the office of the Secretary of State to become a mutual or to revise the terms of its obligation to Pacific Mutual Life Insurance Company to conform to the provisions and requirements of the Stock Purchase Agreement. A public hearing is not necessary.

O R D E R

IT IS ORDERED that:

1. On or before December 31, 1975, Tahoe Sierra Water Company, Inc., may sell and transfer to South Tahoe Public Utility District the water system herein referred to according to the terms of the conditions of the agreement attached to the application.

2. Tahoe Sierra Water Company, Inc., may file amended articles of incorporation with the office of the Secretary of State to become a mutual water company.

3. Tahoe Sierra Water Company, Inc., may revise the terms of its obligations to Pacific Mutual Life Insurance Company to conform to the provisions and requirements of paragraph A of Section 22 of the Stock Purchase Agreement.

4. Within 30 days after the consummation of the transfer authorized by Ordering Paragraph No. 1 hereof, Tahoe Sierra Water Company, Inc., 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.

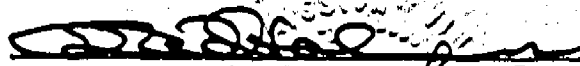
5. The foregoing authorized is conditioned upon South Tahoe Public Utility District assuming all liability for refunds of main extension advances and sellers returning to the customers any refundable deposits made to establish credit, if any.

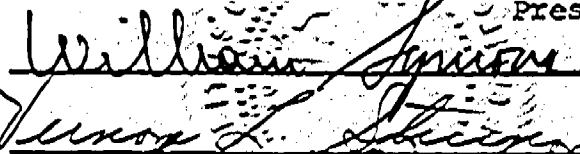
6. Upon conversion to a mutual and upon compliance with this order, Tahoe Sierra Water Company, Inc., stands relieved of its public utility obligations and may discontinue services concurrently with the commencement of service by South Tahoe Public Utility District.


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The effective date of this order is the date hereof.

Dated at San Francisco, California, this 28th day
of OCTOBER, 1975.



President






Commissioners