

Decision No. 86237

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Ernest O. Olsen and William F. Hecomovich doing business as BONANZA SPRINGS WATER COMPANY to sell and George R. Parker and Roberta L. Parker to buy the water system in Lake County.

Application No. 56307  
(Filed March 1, 1976;  
Amended May 21, 1976)

O P I N I O N

This application was filed to request authority to transfer a water system near community of Loch Lomond, Lake County, California, which serves nine flat rate customers and one fire hydrant. The reported net plant at the close of 1974 amounted to \$7,659.59. The sale price is \$100 cash. The sellers purchased the system pursuant to Decision No. 70962, dated July 15, 1966, in Application No. 48472. Bonanza Springs Water Company was granted a certificate of public convenience and necessity under Decision No. 53139, dated May 28, 1956, in Application No. 37455.

The application was amended to include copies of the sale agreement and deed to real property, which were inadvertently omitted in the original application.

Sellers allege that because they no longer live in the area and for reasons of health they desire to dispose of the system. Buyers allege a desire to purchase the water system because the utility supplies water to their residence and properties. The buyers further allege that by their experience they are qualified to operate a water system by the fact Mr. Parker is currently working with air, water and vacuum pumping systems and has had four years' experience with the U.S. Navy working with gasoline and water systems. The purchasers' net worth as indicated in the application appears satisfactory.

Applicants allege that:

1. There are no customer deposits to establish credit.
2. There are no main extension advances.
3. Customers have been notified of the proposed sale of Bonanza Springs Water Company to Mr. and Mrs. Parker.

The utility's source of supply, even during this dry year, and its distribution system are adequate to serve its present customers. No upgrading is envisaged at this time.

Buyers propose to adopt the presently filed tariffs of the sellers which sellers have available to furnish purchasers.

#### Findings

1. The proposed sale and transfer is not adverse to public interest.
2. Buyers have financial resources to acquire and operate the water system known as Bonanza Springs Water Company.
3. It can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.
4. A public hearing is not necessary.

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 the original cost of the properties authorized to be transferred.

#### O R D E R

IT IS ORDERED that:

1. On or before May 31, 1977, Ernest O. Olsen and William F. Hecomovich, sellers, may sell and transfer the Bonanza Springs Water Company (and other assets) referred to in the application to George R. Parker and Roberta L. Parker, purchasers, substantially in accordance with the terms of the agreement attached to the application.
2. As a condition of this grant of authority, purchasers shall assume the public utility obligations of sellers within the area served by the water system being transferred.

3. Within ten days after completion of the transfer, purchasers shall notify the Commission, in writing, of the date of completion and of the assumption of the obligations set forth in paragraph 2 of this order.

4. Purchasers shall either file a statement adopting the tariffs of seller now on file with this Commission or refile under its own name those tariffs in accordance with procedures prescribed by General Order No. 96-A. No increase in rates shall be made unless authorized by this Commission.

5. On or before the date of actual transfer, sellers shall deliver to purchasers and the latter shall receive and preserve all records, memoranda, and papers pertaining to the construction and operation of the water system authorized to be transferred.

6. On or before the end of the third month after the date of actual transfer, purchasers shall cause to be filed with the Commission, in such form as it may prescribe, an annual report covering the operations of seller for the period commencing with the first day of current year to and including the effective date of the transfer.

7. Upon compliance with all of the terms and conditions of this order, sellers shall be relieved of his public utility obligations in connection with the water system being transferred.

The effective date of this order is twenty days after the date hereof.

Dated at San Francisco, California, this 10<sup>th</sup> day of AUGUST, 1976.

Commissioner D. W. Holmes, being necessarily absent, did not participate in the disposition of this proceeding.

Commissioner Robert Batinevich, being necessarily absent, did not participate in the disposition of this proceeding.

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President  
*William J. ...*  
*Vernon L. ...*  
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Commissioners