

Decision 84 03 052

MAR 21 1984

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of E. S. CURTIS and MARY E. CURTIS, being operated by HENRY J. SORENSEN and ALICE S. SORENSEN, doing business as CURTIS WATER COMPANY, and agreeing to sell and DAVID GUNTER and TRENA GUNTER, husband and wife, as to an undivided one 50% interest, and JERRY ELLIS AND BARBARA E. ELLIS, husband and wife, as to an undivided one 50% interest, to buy the water system in Hanford, Kings County, California.

Application 83-11-05
(Filed November 2, 1983)

O P I N I O N

E. S. Curtis and Mary E. Curtis are owners of a public utility water system known as Curtis Water Company located in Hanford. The system is operated by Henry J. Sorensen and Alice S. Sorensen. By this application it is requested that the system be transferred to David Gunter, Trena Gunter, Jerry Ellis and Barbara E. Ellis. All parties including the Sorensens have signed the application.

The utility consists of 146 flat rate residential connections and seven fire hydrants, two steel storage tanks with a combined capacity of 5,000 gallons, approximately 7,000 feet of pipe, and two wells with a combined pumping capacity of 1,000 gallons per minute.

The system received \$7,207 in operating revenues during 1982, but had operating expenses of \$10,026. Buyers intend to apply for a rate increase sometime after completion of the transfer.

The applicants warrant that there are no customer credit or main extension advances on deposit with the utility.

Selling price of the system is \$15,000. The utility's 1982 annual report shows the original cost of water plant in service to be \$35,671, with a reserve for depreciation of \$25,827. Buyers are placed on notice that net plant in service as recorded by seller, rather than the purchase price of the system, will be used for rate-setting purposes in the future.

The applicants state that Henry Sorensen is in poor health, Mr. Curtis desires to have the system transferred from his name, and the buyers wish to acquire the utility because they believe they can operate the service successfully. Buyer Jerry Ellis is a real estate agent and former operator of a septic tank business. Buyer David Gunter is the proprietor of a cabinet shop.

A financial statement for the Ellises attached to the application shows total income of \$68,313 and expenditures of \$33,395 during 1982. A balance sheet as of December 31, 1982 for Hanford Cabinet Mfg., owned by the Gunters, indicates assets of \$112,000 and liabilities of \$68,528.

The Commission's Hydraulic Branch has analyzed the application and has no objection to the transfer. Notice of filing of the application was published in The Hanford Sentinel, a newspaper of general circulation in the Hanford area. No objection to the transfer has been received from any customer or any other party.

Findings of Fact

1. E. S. Curtis and Mary E. Curtis operate a public utility water system located in Hanford under a certificate of public convenience and necessity issued by Decision 53767, dated September 18, 1956 in Application 37965. The system is operated by Henry J. Sorensen and Alice S. Sorensen.

2. E. S. Curtis and Mary E. Curtis desire to sell their utility to David Gunter and Trena Gunter, and to Jerry Ellis and Barbara E. Ellis.

3. The buyers possess the ability and financial responsibility necessary to operate the system.

4. There are no customer credit or main extension advances on deposit with the utility.

5. The proposed sale and transfer is reasonable and not adverse to the public interest.

6. As there is no known opposition to the granting of the application, a public hearing is not necessary.

Conclusion of Law

The application should be granted.

O R D E R

IT IS ORDERED that:

1. On or before July 1, 1984, E. S. Curtis and Mary E. Curtis may transfer the water system designated in the application to David Gunter, Trena Gunter, Jerry Ellis and Barbara E. Ellis.

2. As a condition of this grant of authority, buyers shall assume the public utility obligations of sellers, shall assume liability for refunds of all existing customer deposits, and shall notify the affected customers.

3. Within 10 days after transfer buyers shall write the Commission, stating the date of transfer and the date the requirements of paragraph 2 were completed.

4. Buyers shall either file a statement adopting sellers' tariffs or refile those tariffs under their own names as prescribed in General Order Series 96. Rates shall not be increased unless authorized by this Commission.

5. Before the transfer occurs, sellers shall deliver to buyers, and buyers shall keep, all records of the construction and operation of the water system.

6. When this order has been complied with, sellers shall have no further obligations in connection with this water system.

This order becomes effective 30 days from today.

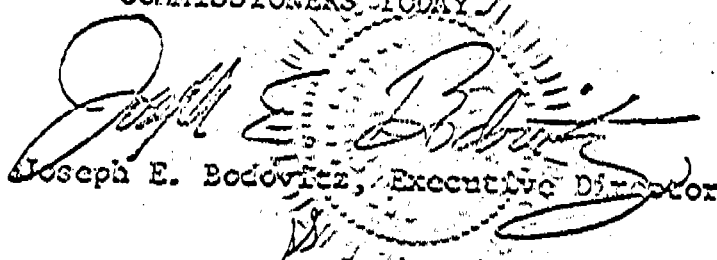
Dated MAR 21 1984, at San Francisco, California.

LEONARD M. GRIMES, JR.
President

VICTOR CALVO
PRISCILLA C. CREW
DONALD VIAL
Commissioners

Commissioner William T. Bagley
being necessarily absent, did
not participate.

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY.


Joseph E. Bodovitz, Executive Director