

ORIGINAL

Decision

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of YUBA INVESTMENT)	
COMPANY, INC. to transfer, and)	Application 84-01-41
THOUSAND TRAILS, INC. to acquire)	(Filed January 20, 1984;
the stock of Yuba Investment)	amended March 23, 1984)
Company, a public utility.)	

O P I N I O N

This application was filed jointly by Yuba Investment Company, Inc., (Yuba) a California corporation, and Thousand Trails, Inc., (Thousand Trails) a Washington corporation located in Seattle.

Yuba owns and operates a California public utility near Loma Rica in Yuba County known as the Dry Creek Irrigation System (the System). The System consists of a diversion dam on Dry Creek, an irrigation ditch with various laterals extending westerly, southerly and northerly from the dam and associated water rights, all as described in the application and its attachments. The System supplies water from Dry Creek, which is a tributary of the Yuba River, for the irrigation of the lands of ten customers located in sections 1, 12, and 13, T 17 N, R 5 E, and sections 6 and 7, T 17 N, R 6 E, MDB&M.

The shares of Yuba are presently owned by Royal Pines Lake Company, Ltd. (Royal Pines), a limited partnership. By this application authority is sought under § 854 of the Public Utilities Code to transfer the shares of Yuba to Thousand Trails, which is engaged in the development of recreational properties for its members' use.

The application presents the following reasons on the part of applicants for transferring ownership of the System to Thousand Trails:

"Thousand Trails is better staffed and funded to improve, maintain and operate the Dry Creek Irrigation System than its present owners. At the time the agreements between Yuba and Thousand Trails were entered into the System was unable to deliver a reliable water supply with its existing works, and Yuba had been ordered by this Commission to make improvements and it was unable to do so. Since the execution of the agreements Thousand Trails has entered into an agreement dated July 15, 1981, for cooperation with Browns Valley Irrigation District, and for the use of certain of its works. A copy of this agreement is attached hereto as Exhibit F. Thereafter Thousand Trails has rerouted and reconstructed substantial portions of the System ditch, as permitted by the Browns Valley agreement, shortening the ditch and making a better alignment, so that the ditch will now deliver the water to which the customers are entitled, and which they need."

The application states that the allocated purchase price for the stock of Yuba is \$380,000, as shown in the letter dated April 3, 1981 attached to the application as Exhibit G. The terms for payment are set forth in the amended purchase agreement attached as Exhibit C. The balance sheet dated December 31, 1982 attached as Exhibit A indicates the original cost of Yuba's water plant in service to be \$77,887 with a related depreciation reserve of \$67,368. The balance sheet shows no other assets except "goodwill"; thus, the net book value of the water plant was \$10,519 on that date.

Yuba's income statement for the year 1982 included in Exhibit A shows revenues to be zero and expenses to be \$190,467, indicating that there was a net operating loss of \$190,467 for the year.

Exhibit G to the application indicates that Thousand Trails had assets exceeding \$100 million as of December 31, 1982, and that for the year 1982 it had net earnings of \$7.8 million.

No objection to the application has been received by the Commission.

Findings of Fact

1. Yuba owns and operates the public utility water system referred to in this decision as the System.
2. Royal Pines owns the shares of Yuba.
3. The purchaser, Thousand Trails, has better resources than Royal Pines to operate, maintain, and improve the public utility water system.
4. The proposed sale would not be adverse to the public interest.
5. A public hearing is not necessary.

Conclusion of Law

The proposed sale of the shares of Yuba to Thousand Trails should be authorized subject to the provisions of the following order.

O R D E R

IT IS ORDERED that:

1. Thousand Trails, Inc., is authorized to purchase the shares of Yuba Investment Company, Inc., from Royal Pines Lake Company, Ltd., under the terms and conditions specified in the application and its attachments.
2. The authorization contained in this order will expire if not exercised within one year of the effective date of this order.

3. Nothing in this opinion and order shall be construed as (1) a finding of the value of the property being transferred, or (2) relieving Yuba Investment Company, Inc., of any part of its public utility obligations.

4. The application is granted as set forth above.

This order becomes effective 30 days from today.

Dated JUN 20 1984, at San Francisco, California.

LEONARD M. GRIMES, JR.
President

VICTOR CALVO

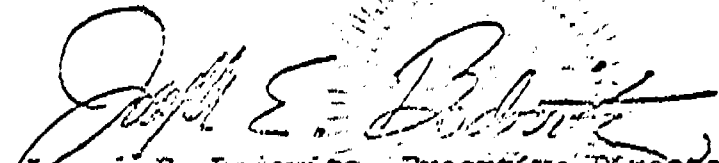
PRISCILLA C. GREW

DONALD VIAL

WILLIAM T. BAGLEY

Commissioners

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


Joseph E. Bedovick, Executive Director