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Decision June 20, 1984

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of DELIA HAY. WILLIAM HAY,) and WILLIAM HAY, JR. dba POINT ARENA) WATER WORKS to sell, and of POINT) ARENA WATER WORKS, INC., a California) corporation, to purchase a public) utility water system in Point Arena,) Mendocino County, California.

Application 84-04-012 (Filed April 2, 1984)

$\underline{O \ P \ I \ N \ I \ O \ N}$

Delia Hay, William Hay, and William Hay, Jr. (transferors) are owners of a public utility water system known as Point Arena Water Works located in Point Arena, Mendocino County. By this application they request that the system be transferred to Point Arena Water Works, Inc., (transferee), a copy of transferee's Articles of Incorporation is attached to the application. Transferors will be sole shareholders in transferee.

The utility consists of 170 service connections, most of which are metered, five storage tanks with a combined capacity of 735,000 gallons, and four wells with a combined pumping capacity of 366 gallons per minute.

The system received \$40,979 in operating revenues during 1983, and experienced a net loss on the year of \$5,245. A financial statement attached to the application indicates a net book value of the utility's assets on January 1, 1984 of \$120,000.

Transferors desire to transfer to the corporation, at book value, all of the assets of the water system, subject to all of the utility's liabilities as of January 1, 1984. Transferee is placed on notice that net plant in service will be used for rate-setting purposes in the future.

A.84-04-012 ALJ/rr/md

The Commission's Hydraulic Branch has analyzed the application and has no objection to the transfer. Notice of filing of the application appeared in the Commission's Daily Calendar of April 5, 1984. No objection to the transfer has been received. Findings of Fact

1. Transferors operate a public utility water system located in Point Arena under certificates of public convenience and necessity issued by Decision (D.) 49532 dated November 24, 1953 in Application (A.) 34790 and D.78384 dated March 2, 1971 in A.51946.

2. Transferors desire to transfer their public utility water system to transferee, a corporation. Transferors will be sole shareholders in the corporation.

3. The transferee possesses the ability and financial responsibility necessary to operate the system.

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

5. 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.

ORDER

IT IS ORDERED that:

1. On or before September 1, 1984, Delia Hay, William Hay, and William Hay, Jr. (transferors) may transfer the water system designated in the application to Point Arena Water Works, Inc. (transferee).

2. As a condition of this grant of authority, transferee shall

assume the public utility obligations of transferors, shall assume liability for refunds of all existing customer deposits, and shall notify the affected customers.

- 2 -

A-84-04-012 ALJ/rr/md

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

4. Transferee shall either file a statement adopting transferors' tariffs or refile those tariffs under its own name as prescribed in General Order Series 96. Rates shall not be increased unless authorized by this Commission.

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

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

> LEONARD M. GRIMES. JR. Prosident VICTOR CALVO PRISCILLA C. GREW DONARD VIAL WILLIAM T. BAGLEY Commissioners

I CERTIFY THAT THIS DECISION WAS APPROVED BY THE ABOVE COMMISSIONERS, TOLAY: oscon E. Bodavit

- 3 -

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- 1 -