

ORIGINAL

Decision 82 03 065 MAR 16 1982

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Ernest & Louise Pierson )  
doing business as Freshwater Valley )  
Estates Water Co., request authority )  
to transfer the water system in )  
Humboldt County. )

Application 82-01-23  
(Filed January 11, 1982)

O P I N I O N

Ernest and Louise Pierson, sole owners of the water system known as Freshwater Valley Estates Water Co. (Freshwater), a California corporation,<sup>1/</sup> request the Commission's authority to transfer this water system as a gift to Humboldt Community Services District (District).

The water system is located four miles east of Eureka and serves 11 customers. Freshwater's December 31, 1980 annual report shows total plant in service of \$60,700, depreciation reserve of \$21,142, and net plant of \$39,558. Freshwater's operating income in 1980 was a negative \$541. Freshwater states it is holding no advances for construction nor customer deposits.

The system being transferred consists of the following:

1. Rights-of-way for water system components.
2. One 8" well.
3. One 3 hp pump.
4. Water treatment equipment.
5. Two reservoirs and tanks.
6. 2,700 feet of water main.
7. Miscellaneous other items.

<sup>1/</sup> Title box incorrectly shows Freshwater Valley Estates Water Co. as a dba.

Freshwater wants to dispose of the system because it is not an economically viable operation. District presently serves some 4,000 metered customers and has the experience, knowledge, and financial ability to operate the Freshwater system.

The agreements attached to the application provide that of the property being transferred, the right to use a certain right-of-way, the right to take water from the existing well, and the right to drill and use additional wells will terminate when District ceases to take water from the well or wells. At that time District presumably will connect its own supply to this water system.

Notice of filing of the application appeared in the Commission's Daily Calendar of January 14, 1982. Freshwater notified its customers of this proposal. No protests have been received.

Findings of Fact

1. By this application, Freshwater has expressed its willingness to transfer the water system to District and District has expressed its willingness to operate and maintain the system.

2. Continued operation of the system by Freshwater is not economically viable.

3. No objections to the transfer have been received. A public hearing is not necessary.

4. It is in the public interest to authorize transfer of the Freshwater system to District.

5. Freshwater is holding no customer deposits or main extension advances.

Conclusions of Law

1. The transfer of the Freshwater system to District should be authorized.
2. Upon completion of the transfer Freshwater should be relieved of any public utility obligation to the transferred system.

To expedite the transfer of the water system this order should be effective the date it is signed.

O R D E R

IT IS ORDERED that:

1. On or before September 30, 1982, Freshwater Valley Estates Water Co. may transfer the water system and other assets referred to in the application to Humboldt Community Services District, according to the terms in the application.
2. Within 10 days after transfer, transferor shall write the Commission stating date of transfer, and date when transferee began operating the water system. A copy of the transfer documents shall be attached.
3. Upon compliance with this order, transferor shall be relieved of its public utility obligation to the transferred system.
4. As a condition of this grant of authority transferee shall apply the same rates, rules, and conditions to customers outside of the District's boundaries as it applies to customers inside the

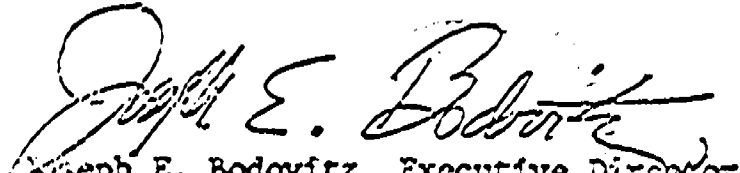
boundaries, except as necessary to offset any tax or assessment on customers inside the boundaries which benefits other customers.

This order is effective today.

Dated     MAR 16 1982    , at San Francisco, California.

JOHN E. BRYSON  
President  
RICHARD D. CRAVELLE  
LEONARD M. GRIMES, JR.  
VICTOR CALVO  
PRISCILLA C. CREW  
Commissioners

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

  
Joseph E. Bodovitz, Executive Director