

ORIGINAL

Decision 83 05 053

MAY 18 1983

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Ted E. Finger,
doing business as Lake Forest
Water Company, to sell, and
David McClure to buy, the water
system in Tahoe City, Placer
County.

Application 83-03-24
(Filed March 8, 1983)

O P I N I O N

Ted E. Finger (seller), owner of the water system located near Tahoe City in Placer County known as Lake Forest Water Company, requests authority to sell the system to David McClure (buyer), who joins in the application.

Seller was granted a certificate of public convenience and necessity for the water system by Decision (D.) 43750 dated February 1, 1950 in Application (A.) 30549. Seller possesses License No. 59523 from the State Water Rights Board authorizing the appropriation of 724-acre feet per year from sources adjacent to the service area. There are a total of 126 active service connections, all of which are provided water on a flat-rate basis. Three fire hydrants are connected to the system.

The water system source of supply consists of a four-inch diameter, 14-foot deep lake intake equipped with a 10-horsepower motor connected to a pump which can supply the system up to 100 gallons per minute. Storage facilities consist of two tanks with a combined capacity of 20,000 gallons. There are over 15,000 feet of distribution mains ranging in size from two to six inches in diameter. A chlorinator provides water treatment.

As of December 31, 1982, the original cost of the property being transferred was \$21,815.70 with a related depreciation reserve of \$15,929.88 and a resulting net depreciated book cost of \$5,885.82. The selling price of the system is not stated in the application; however, the attached sales agreement describes it as "the sum of \$10.00 and other good valuable considerations."

The qualifications of the buyer, as detailed in the application, show that he has over five years' experience in the water utility field, including work for the North Tahoe Public Utility District, the Donner Lake Water Company, and the Crystal Bay Water Company. Buyer is now the superintendent of the Crystal Bay Water Company. Buyer is certified as a Water Operator Grade 2 by the American Water Works Association.

Buyer's principal occupation is owner-operator of Alpine Tree and Wood Service at Kings Beach. The balance sheet and income statement for this business, as included in the application, show buyer to have adequate financial resources to support the requirements of the water system he proposes to purchase.

Findings of Fact

1. Buyer is qualified by experience and training to operate the water utility being purchased.
2. Buyer has the financial resources necessary to meet the requirements of the water system.
3. The proposed sale and transfer would not be adverse to the public interest.

Conclusion of Law

The proposed sale and transfer should be authorized. A public hearing is not necessary.

This authorization is not a finding of the value of the rights and properties to be transferred.

O R D E R

IT IS ORDERED that:

1. On or before December 31, 1983, Ted E. Finger may transfer the water system designated in the application to David McClure.

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

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

4. Buyer shall either file a statement adopting seller's 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, seller shall deliver to buyer, and buyer shall keep, all records of the construction and operation of the water system.

6. Within 90 days after actual transfer buyer shall file, in proper form, an annual report on seller's operations from the first day of the current year through date of transfer.

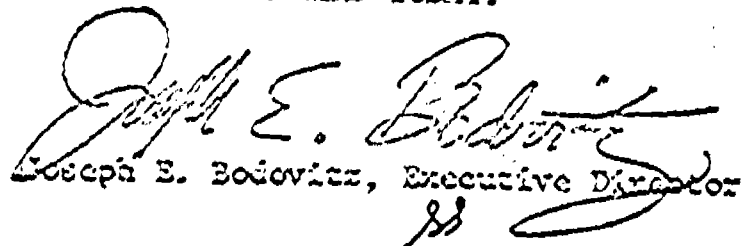
7. When this order has been complied with, seller shall have no further obligations in connection with this water system.

This order becomes effective 30 days from today.

Dated MAY 18 1983, at San Francisco, California.

LEONARD M. GRIMES, JR.
President
VICTOR CALVO
PRISCILLA C. GREW
DONALD VIAL
Commissioners

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


Joseph E. Bođovitz, Executive Director