

Process
11

Decision 83 08 034 August 3, 1983

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Art B. Cole doing)	
business as Art Cole Water Co. to)	
sell and Fred Fahlen and Boyd Sears)	Application 83-05-21
to buy the water system in Placer)	(Filed May 10, 1983)
County.)	

O P I N I O N

Art B. Cole (Seller), doing business as Art Cole Water Company, and Fred Fahlen and Boyd Sears (Buyers) jointly request authority under Public Utilities Code Section 851 for Seller to sell and transfer its water system to Buyers.

The verified application shows that Seller owns and operates a water system serving 38 customers in an area described as Frey Subdivision near the community of Weimar in Placer County.

Original cost of the property being transferred is \$21,190, and the depreciation reserve as of December 31, 1981 is \$9,715, resulting in net book value of \$11,475. The alleged selling price is \$16,480. Buyers state that they are paying a sum greater than original cost of the property net of depreciation and contributions and understand that rates will be based upon the depreciated original cost of the plant, excluding contributed plant, and not on the purchase price. As additional consideration for the sale, Buyers will provide water to Seller's home so long as title remains in the Cole name, said service cost to be charged against Buyers' capital. ✓

Seller desires to dispose of the system because he wants to retire, and Buyers desire to acquire the system because they own an adjacent water company and believe they can interconnect the two systems and substantially improve service in both systems. Buyers are experienced in the design and construction of water systems.

The purchase price will be paid in installments which will be the personal liability of Buyers, and Buyers will transfer all of the assets purchased to Sleepy Hollow Acres, Inc., doing business as the Weimar Water Company. There are no customer's deposits to establish credit, and there are no main extension advances.

Applicants assumed joint responsibility for informing the community of customers of the application, and no protests have been received. A public hearing is not necessary.

Staff of the Hydraulic Branch have reviewed the application and recommend ex parte processing and approval.

Buyers are placed on notice that an application is required before assets may be transferred to Sleepy Hollow Acres, Inc.

Finding of Fact

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

Conclusion of Law

The application should be granted as set forth in the following order.

O R D E R

IT IS ORDERED that:

1. The transfer and sale of Art B. Cole's (Seller) water system as provided in the agreement attached to the application is approved.
2. Within 10 days after the completion of the transfer, Seller shall notify the Commission, in writing, of the date of the transfer and of the date upon which Fred Fahlen and Boyd Sears (Buyers) shall have assumed operation of the water system. A true copy of the instruments of transfer shall be attached to the notification.

3. Upon compliance with all of the terms and conditions of this order, Seller shall be relieved of its public utility obligations in connection with the water system transferred.

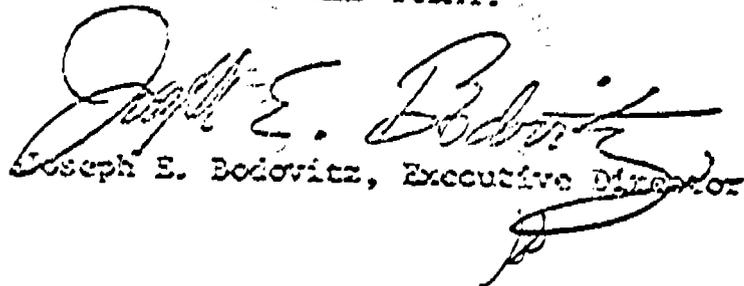
This order becomes effective 30 days from today.

Dated AUG 3 1983, 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. Bodovitz, Executive Director

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SS *Case main*
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