

Decision No. 86640

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of DONALD L. KAASTRUP,)
 MARGARET H. KAASTRUP, HAROLD R. FARR)
 and LILLIAN E. FARR for exemptions)
 pursuant to Sections 829 and 853 of)
 the Public Utilities Code with respect)
 to the sale and transfer and related)
 financing transactions of TAHOE PARK)
 WATER COMPANY.)

Application No. 56826
 (Filed October 22, 1976)

O P I N I O N

Pursuant to Sections 829 and 853 of the Public Utilities Code, (a) Donald L. Kaastrup, Margaret H. Kaastrup, Harold R. Farr and Lillian E. Farr seek exemptions pertaining to the sale and transfer to Harold R. Farr and Lillian E. Farr of the public utility known as Tahoe Park Water Company, and (b) Harold R. Farr and Lillian E. Farr seek exemptions with respect to evidences of indebtedness and encumbrances relating to said sale and transfer.

Donald L. Kaastrup and Margaret H. Kaastrup acquired the public utility known as Tahoe Park Water Company in accordance with authority granted by Decision 59535, dated January 26, 1960, in Application 41801, and Decision 60682, dated September 1, 1960, as supplemented by Decision 61318, dated January 4, 1961, in Application 41752. The utility is located in the County of Placer and near Lake Tahoe. For the year 1975, its reported operating revenues and net income amounted to \$27,444 and \$7,877, respectively.

The utility's reported assets and liabilities at December 31, 1975, are summarized as follows:

Assets

Water plant in service	\$79,555
Reserve for depreciation	<u>42,906</u>
Water plant less reserve	36,649
Cash	<u>10,387</u>
Total	<u>\$47,036</u>

Liabilities

Proprietary capital	\$14,814
Long-term debt - Kaastrup	<u>32,222</u>
Total	<u>\$47,036</u>

Applicants state that granting of the requested exemptions would avoid conflict between orders of this Commission and information which they have submitted to other governmental authorities. The verified application sets forth facts supporting the requested exemptions. After consideration of such facts the Commission finds as follows:

1. During a period of time commencing in 1960 and ending in 1968, Donald L. Kaastrup and Margaret H. Kaastrup owned and operated the public utility known as Tahoe Park Water Company.
2. During the year 1968, Harold R. Farr and Lillian E. Farr, his wife, agreed to purchase said public utility for \$65,000.
3. Prior to September, 1968, Harold R. Farr and Lillian E. Farr made a \$15,000 down payment on said purchase, with the remaining \$50,000 to be represented by a Promissory Note repayable in monthly installments of \$405.80 or more including interest at the rate of 6% per annum, and secured by a Deed of Trust encumbering the water system.

4. From the time Harold R. Farr assumed responsibility for the management and operation of said public utility in 1968, he has performed all duties in connection therewith including repair, maintenance and extension of the system, billing for and collecting the charges for water service, payment of taxes, and submission of reports to governmental agencies.
5. Since September, 1968, Harold R. Farr and Lillian E. Farr have been making the monthly payments contemplated for said purchase.
6. Harold R. Farr and Lillian E. Farr are experienced in the water utility business, and Donald L. Kaastrup and Margaret H. Kaastrup are no longer available to operate said utility.
7. Circumstances beyond applicants' control account for the long delay in the filing of this application for enabling Harold R. Farr and Lillian E. Farr to own said utility.
8. The application of Article 5, Chapter 4, Part 1, Division 1 and Section 851 of Article 6, Chapter 4, Part 1, Division 1 of the Public Utilities Code to said sale and transfer of the public utility known as Tahoe Park Water Company, and to related transactions herein, is not necessary in the public interest.
9. There is no known opposition and there is no reason to delay granting the relief requested.

On the basis of the foregoing findings we conclude that the application should be granted, and that the effective date of the order should be the date on which it is signed. A public hearing is not necessary.

Nothing in this decision shall be construed as a finding of the value of the rights and properties of the public utility known as Tahoe Park Water Company.

O R D E R

IT IS ORDERED that:

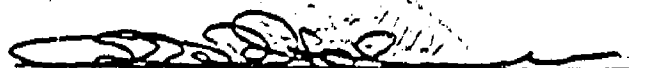
1. The sale and transfer of the public utility known as Tahoe Park Water Company to Harold R. Farr and Lillian E. Farr are hereby exempted from the provisions of Section 851 of the Public Utilities Code.

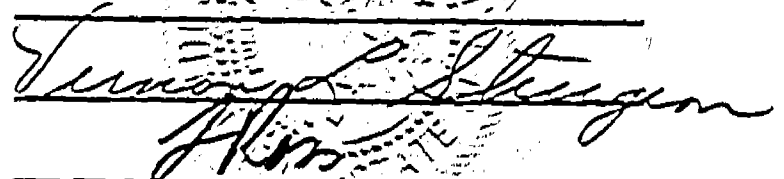
2. Harold R. Farr and Lillian E. Farr, with respect to evidences of indebtedness and encumbrances relating to the sale and transfer to them of the public utility known as Tahoe Park Water Company, are hereby exempted from the provisions of Article 5, Chapter 4, Part 1, Division 1 and Section 851 of Article 6, Chapter 4, Part 1, Division 1 of the Public Utilities Code.


3. Harold R. Farr and Lillian E. Farr shall either file a statement adopting the tariffs of the public utility to which the exemptions herein granted relate, or shall refile under their own names those tariffs in accordance with the procedures prescribed by General Order No. 96-A.

4. The effective date of this order is the date hereof.

Dated at San Francisco, California, this 16th day
of NOVEMBER, 1976.


President


Commissioner


Commissioners

Commissioner William Symons, Jr., being necessarily absent, did not participate in the disposition of this proceeding.