

Decision No. 87681 AUG 9 1976

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Ernest E. Hansen for authorization to acquire control of a Public Utility Company (Public Utilities Code Section 854)

Application No. 57235
(Filed April 18, 1977)

O P I N I O N

By this application, Ernest E. Hansen (Hansen) requests authority to acquire all of the issued and outstanding capital stock of Meadowbrook Water Company (Meadowbrook), a California corporation, aggregating 325 shares of \$100 per value common stock.

Meadowbrook is a public utility water company which provides service to approximately 147 customers near Lake Arrowhead in San Bernardino County. Ernest E. Hansen and Nancy Hansen, dba Meadowbrook Water Association, was granted a Certificate of Public Convenience and Necessity by Decision No. 35108, dated March 10, 1942. (The Ernest E. Hansen who formed Meadowbrook Water Association is the father of the applicant in the instant matter.) The certificate was transferred to Meadowbrook Water Company by Decision No. 60307, dated June 28, 1960.

Hansen proposes to purchase the 325 shares from the present stockholders (William H. Baker and Theda Baker) at a foreclosure sale. Hansen states that the stockholders defaulted on payments due Hansen pursuant to a "Promissory Note Secured by Pledge Agreement" (Exhibit A of the application). The Pledge Agreement, (Exhibit B), states that the pledged property consists of "325 shares of capital stock in Meadowbrook Water Company." Hansen believes that he will be the successful bidder at the foreclosure sale due to the large amount of indebtedness (\$8,693.75 as of the date of filing).

The application states that Hansen is knowledgeable about the technical operations of Meadowbrook, having provided engineering advice and designed the pump system and alarm system currently used.

The present owners of Meadowbrook have on several occasions failed to pay bills due for purchased water from the Crestline-Lake Arrowhead Water Agency. Hansen recently paid an outstanding bill for purchased water because of an imminent threat of shutoff.

After consideration the Commission finds that:

1. Control of Meadowbrook Water Company by Hansen through acquisition of all outstanding common stock would not be adverse to the public interest; and

2. There is no known opposition and there is no reason to delay authorizing transfer of the stock.

On the basis of the foregoing findings, we conclude that the application should be granted. A public hearing is not necessary. The action taken herein shall not be construed as a finding of the value of the common stock of Meadowbrook Water Company.

In order to complete urgent and complex business arrangements between the parties, applicants request an order effective on its date of issuance.

O R D E R

IT IS ORDERED that William H. Baker and Theda Baker may sell and transfer, and Ernest E. Hansen may purchase and acquire all 325 shares of the issued and outstanding common stock of Meadowbrook Water Company.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 9th day
of AUGUST, 1977.

Robert Bateman
President
William Symons Jr
Chaire L. DeLoach

Commissioners

Commissioner Vernon L. Sturgeon, being necessarily absent, did not participate in the disposition of this proceeding.

Commissioner Richard D. Gravelle, being necessarily absent, did not participate in the disposition of this proceeding.