

ORIGINAL

Decision No. 87930 OCT 4 1977

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of James R. Mills for Authority)
to Repossess the Slide Inn Water)
Company and the Snobowl Water)
Company.)

Application No. 57521
(Filed August 17, 1977)

O P I N I O N

In this application James R. Mills (Mills) seeks to have transferred to himself from Irvin N. Cooper and Marylynn S. Cooper (Coopers) the water systems known as Slide Inn Water Company and Snobowl Water Company, which serve customers and operate in an area known as East of Long Barn, California, in or near the community of Slide Inn in the county of Tuolumne.

Mills had been operating these utilities satisfactorily for 30 years before the sale to the Coopers, which was authorized in Decision No. 82642 (Application No. 54408) dated March 26, 1974. That decision indicates that the Snobowl Water Company is adjacent to Snobowl Subdivision No. 1 located about 21 miles east of Sonora on State Highway 108, Tuolumne County, and supplies about 28 customers. The system has two wells and two storage tanks, one tank with a 12,500-gallon capacity and one with a 10,000-gallon capacity. The Slide Inn Water Company, according to Decision No. 82642, serves about 91 customers and is located one-half mile to the southwest to the Snobowl Water Company. It has four wells and two 40,000-gallon storage tanks.

The reason for the retransfer to Mills is a failure of consideration. The Coopers are now in default on the purchase and have returned the deed of trust, which covered the previous transfer of the property from Mills to the Coopers, to Mr. Mills.

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Pursuant to the direction of the Administrative Law Judge, a copy of this application was served by mail on the Coopers. There is no objection to the transfer to Mills. Mills has also furnished the Commission with a copy of the grant deed, recorded in Tuolumne County on June 1, 1977, by which the Coopers grant the utility properties to Mills. (This copy of the deed is received herein as Exhibit 1.)

The history of this water company indicates that the proposed transfer is definitely in the public interest. At the time of the transfer from Mills to the Coopers in Application No. 54408, the Coopers represented to the Commission that they would move to the Tuolumne County area to manage the water system. This did not occur, and the water system deteriorated to the point where a formal complaint was filed (Slide Inn Improvement Association v Irvin Cooper, Slide Inn, Snobowl Water Company, Case No. 10195) and the Commission issued an investigation (Case No. 10215) and consolidated it with the complaint.

A hearing was held on those matters on December 29 and December 30, 1976. Despite the fact that the Coopers were served a copy of the order instituting investigation by registered mail, they did not appear at the hearing and no representative appeared in their behalf. Evidence showed they had moved to Montana. Since it was apparent that the Coopers had abandoned management of the water system, Mr. Mills volunteered to make the necessary repairs and to be paid only his costs.

Because of this situation, the Commission issued an interim opinion (Decision No. 86880 dated January 25, 1977) authorizing Mills to manage and operate the Slide Inn Water Company and the Snobowl Water Company until further order, and authorized the customers of the

Slide Inn Water Company to pay their annual charge for water to Mills rather than the Coopers. Mills has been actually managing these properties and collecting the revenues since that time.

A check of Commission files shows that there have been no further service complaints since Decision No. 86880 was issued.

It is clear from a review of the history of these public utility properties that it is in the public interest to order a prompt transfer of the public utility obligations connected with these water utilities from the Coopers to Mills, and to allow Mills to assume possession and ownership of these utility properties.

We find that the effective date of this order should be the date on which it is signed because the Coopers have abandoned these utility properties and applicant Mills is already managing them, collecting the revenues, and paying the bills.

O R D E R

IT IS ORDERED that:

1. On the effective date of this order, James R. Mills (Mills) is authorized to assume ownership and possession of Slide Inn Water Company and Snobowl Water Company.

2. As a condition of this authorization, Mills shall assume the public utility obligations of Irvin N. Cooper and Marylynn S. Cooper within the areas served by the Slide Inn Water Company and the Snobowl Water Company. Mills shall send notice of the assumption of liability for refunds to all customers affected.

3. Mills shall notify the Commission in writing of the assumption of the obligations set forth in paragraph 2 of this order.

4. Mills shall either file a statement adopting the existing tariffs now on file for the Slide Inn Water Company and the Snobowl Water Company, or shall file under his own name those tariffs in accordance with the procedures prescribed by General Order No. 96-A. No increase in rates shall be made in such filing unless authorized by this Commission.

5. Irvin N. Cooper and Marylynn S. Cooper are ordered to deliver to Mills, and Mills shall receive and preserve all records, memoranda, and papers pertaining to the construction, operation, and financial condition of the Slide Inn Water Company and the Snobowl Water Company.

6. One hundred twenty days after the date hereof, Mills shall file with the Commission, in such form as the Commission may prescribe, an annual report covering the operations of the Slide Inn Water Company and the Snobowl Water Company, commencing with the first day of the current year to and including the effective date of the transfer.

7. The transfer of public utility obligations of the Slide Inn Water Company and the Snobowl Water Company from Irvin N. Cooper and Marylynn S. Cooper to Mills is not to be construed to relieve Irvin N. Cooper and/or Marylynn S. Cooper of any contractual or other legal debt or obligation they may have to Mills.

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8. The Executive Director shall serve by mail a copy of this order on Irvin N. Cooper and Marylynn S. Cooper at their last known address.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 4th day of OCTOBER, 1977.

Robert B. ...
President

Verizon L. ...
Richard W. ...

Commissioners

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

Commissioner Claire T. Dedrick, being necessarily absent, did not participate in the disposition of this proceeding.