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Decision No. 89856 JAN 16 1979

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application  
of William H. Roley for Authority  
to control the Susan River Park  
Water Co., Inc.

Application No. 58477  
(Filed November 20, 1978)

O P I N I O N

William H. Roley (Buyer) requests authority under Section 854 of the California Public Utilities Code to control the Susan River Park Water Co., Inc., through purchase of all of the outstanding stock from the Estate of Joseph Nevis (Seller), for the sum of \$3,600 in cash.

The Susan River Park Water Co., Inc. provides domestic water service to approximately 26 domestic flat rate service connections and three fire hydrants in an area described as Susan River Park Numbers 1 and 2, in or near Johnstonville, Lassen County, California.

Susan River Park Water Co., Inc. was granted a Certificate of Public Convenience and Necessity, and authorized to issue not to exceed \$35,800 par value of its capital stock, by Decision No. 64895, February 5, 1963, in Application No. 44610.

The utility's annual report, as of December 31, 1977, shows that 2,200 shares of \$10 par value were issued and all were owned by Mr. Joe Nevis, Jr., now deceased. The report shows that the original cost of the water utility was \$23,127.81, with \$8,355.78 reserve for depreciation, resulting in a net book cost of \$14,772.03. The water system plant consists of one 16-inch diameter well 338 feet deep, producing 250 gpm, one 2,000-gallon steel storage tank, and 1,714 feet of 6-inch diameter AC mains.

This utility has had serious pressure problems in the past, but there have been no complaints since early 1976. The staff has discussed the quality of service with one of the former complainants, who states that they are not having pressure problems now, but that they are still unable to use two outlets at once, for example, a washing machine and a shower, or two showers.

By Decision No. 64895 the utility was directed to, on or before April 1, 1963, install necessary facilities "to provide for the reasonable continuation of an adequate supply of water in case of failure of the initial service of supply." A well was eventually drilled (circa 1975), but has not been connected. The staff has determined, from the present manager and operator, Mr. Perfield, that the well has been drilled to a depth of over 500 feet at 26-inch diameter, a 12-inch casing installed and gravel packed, the well developed and tested at 800 gpm, and is ready for use, needing only installation and connection of a pump. Reportedly insufficient finances have been available to complete the installation. The staff has been advised that Buyer intends to have the well connected.

Seller desires to dispose of the system to liquidate all probate estate assets of the deceased owner, and Buyer desires to acquire the system because he wants additional income.

Buyer alleges he has had five years' experience in water supply, but is retaining Mr. Russell Perfield, a resident of Janesville, which is approximately 7 miles distant, for the actual operation of the system. Mr. Perfield has operated the system for the preceding year.

Buyer's financial statement, Exhibit A to the application, indicates that he has sufficient financial resources to operate and maintain the water utility.

The attorney for the estate has advised the customers of the proposed transfer by letter dated December 8, 1978, a copy of which has been received by the staff.

After consideration the Commission finds that the proposed transfer would not be adverse to the public interest. The application should be granted. A public hearing is not necessary.

The authorization granted shall not be construed as a finding of the value of rights and properties to be transferred.

O R D E R

IT IS ORDERED that William H. Roley may control Susan River Park Water Co., Inc.

The effective date of this order shall be thirty days after the date hereof.

Dated at San Francisco, California, this 16<sup>th</sup> day of JANUARY, 1979.

Valut Batjuniuk  
President  
Charles P. Kowalski  
Clara J. Dedrick

Commissioners