

ORIGINAL

Decision No. 90061 MAR 13 1978

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Miss Jewell French and Miss Mary Westerfield doing business as Audrain Water Company to sell and Lawrence Braun and Robyn Braun to buy the water system in Audrain, El Dorado County.

Application No. 58622
(Filed January 24, 1979)

O P I N I O N

Miss Jewell French and Miss Mary Westerfield (Sellers) request authority under Sections 851-854 of the California Public Utilities Code to sell and transfer, and Lawrence Braun and Robyn Braun (Purchasers) to buy the Audrain Water Company.

The Audrain Water Company is a small utility providing flat rate domestic water service to two full-time and seven part-time customers at a location approximately one mile west of Little Norway, in El Dorado County, California. The water supply is from springs located on the property, flowing by gravity to two 2,600-gallon redwood storage tanks and thence to the customers through approximately 1,900 linear feet of two- and three-inch diameter plastic and galvanized pipes. The original cost of the system, as of December 31, 1976, is given in the annual report of that date as \$9,633, with \$3,361 reserve for depreciation, for a net book cost of \$6,272. Land value is \$4,944 of the original cost, with mains and tanks the remaining \$4,689.

The utility was granted a Certificate of Public Convenience and Necessity by Decision No. 49756, dated March 9, 1954, in Application No. 34941, which was transferred to Sellers by Decision No. 67416, dated June 23, 1964, in Application No. 46036.

The water system was sold to Lawrence Braun and Robyn Braun (present Purchasers) as part of a sale of the land on which it was located, in August 1977, but Commission approval was not secured. An application was made but was returned for correction and was not resubmitted.

The condition of the system and the ownership was thoroughly reviewed in the recent hearing in Case No. 10426, and Decision No. 89664, dated November 28, 1978, was issued. By this decision the Commission ordered the filing of this application within thirty days after the effective date of the order. This application was timely filed.

During the investigation for Case No. 10426, Mr. Braun informed the staff that they had paid \$3,000 for the water system, over and above the cost of the residence and its premises.

Purchasers are both regularly employed. Mr. Braun is an employee of the Postal Service. They are considered to have adequate financial resources to maintain and operate the water system.

Subsequent to the noted sale and transfer in 1977, this Commission has received complaints from customers necessitating the hearing in Case No. 10426. Decision No. 89664, in addition to ordering the filing of this application to transfer, also ordered repair of the two 2,600-gallon storage tanks, after approval of the transfer, and prohibited addition of new customers without approval of this Commission.

There are no customer deposits to establish credit, nor any main extension advances.

The customers are aware of the transfer through contact with the Purchasers since 1977.

The system is adequate for its present use if properly maintained.

After consideration the Commission finds that sale and transfer of the utility is not adverse to the public interest and should be approved. A public hearing is not necessary. As there appears to be no reason for delay, and as this application for transfer has been directed by this Commission, the effective date of this order shall be the date of the order.

It can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

The authorization herein granted shall not be construed as a finding of the value of the rights and properties herein authorized to be transferred nor as indicative of amounts to be included in proceedings for the determination of just and reasonable rates.

O R D E R

IT IS ORDERED that:

1. The sale of the water system (and other related assets) in August 1977 to Lawrence Braun and Robyn Braun is hereby recognized and its transfer from Miss Jewell French and Miss Mary Westerfield to the Brauns is authorized as of the effective date of this order.
2. As a condition of this grant of authority, Purchasers shall assume the public utility obligations of Sellers within the area served by the water system being transferred and shall assume liability for refunds of all existing customer deposits and advances pertaining to the water system being transferred, if any. Purchasers shall send notice of the assumption of liability for refunds to all customers affected.
5. Within ten days after the effective date of this order, Purchasers shall notify the Commission, in writing, of the date of completion and of the assumption of the obligations set forth in paragraph 2 of this order.

4. Purchasers shall either file a statement adopting the tariffs of Sellers now on file with this Commission or refile under their own name those tariffs in accordance with the procedures prescribed by General Order No. 96-A. No increase in rates shall be made unless authorized by this Commission.

5. Sellers shall deliver to Purchasers, and the latter shall receive and preserve all records, memoranda, and papers pertaining to the construction and operation of the water system authorized to be transferred.

6. Within thirty days after the date of this order Purchasers shall cause to be filed with the Commission, in such form as it may prescribe, an annual report covering the operations of Sellers for the calendar year 1978.

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

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 13th
day of MARCH, 1979.

John E. Byrne
President
Richard L. Sturgeon
Richard D. Powell
Robert J. Delgado
James W. [unclear]
Commissioners