

Decision No. 92663

FEB 4 1981

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of SLEEPY HOLLOW ACRES)
CORPORATION and FRED J. FAHLEN,)
BOYD SEARS III, CHARLES F. GIERAU)
for the sale of stock of SLEEPY)
HOLLOW ACRES CORPORATION (WEIMAR)
WATER COMPANY).)

Application No. 59742
(Filed June 17, 1980;
amended December 30, 1980)

O P I N I O N

Sleepy Hollow Acres, Inc., a California corporation, (utility) seeks authorization of the Commission for the transfer of all of its issued and outstanding shares of common stock to Fred J. Fahlen, Boyd Sears, III, and Charles F. Gierau (buyers). Notice of the filing of the application appeared on the Commission's Daily Calendar of June 19, 1980. There has been no protest received on the proposed transfer.

Utility operates the Weimar Water Company, a water system in and near the community of Weimar in Placer County and serves approximately 112 customers. Authority to operate the water system was granted by Decision No. 62890 dated June 26, 1962 in Application No. 43501. Utility serves the subdivision known as Sleepy Hollow and also an area known as Snooks Road, including the Weimar School.

Utility desires authority for the transfer of stock because owners are past retirement age and are widows who lack the financial and managerial ability to operate the system. Buyers desire to purchase the stock and operate the system as a profit-making investment and establish professional management to enable the system to be more responsive to the needs of the users.

The plant in service is reported on the 1979 annual report as \$190,681 less depreciation reserve of \$77,917 and contributions of \$28,702 or net water plant of \$84,062. The selling price is \$100,000 with \$40,000 payable in cash as down payment and the remaining \$60,000 payable in accordance with promissory note set forth as Exhibit A to the sales agreement, (see amended application) payable over ten years at 7 percent interest per annum and requiring monthly payments of \$696.66.

Buyers are aware that rates charged for water service are based upon the depreciated original cost of the plant excluding advances for construction and contributed plant, not on the purchase price of utility's capital stock.

Customers of utility have been informed of the proposed sale by publication of notices in the Auburn Journal and Colfax Recorder. The notices advised anyone objecting to the proposed sale to write to the Commission. No objections have been received by the Commission. The Hydraulic Branch recommends that the proposed sale be approved.

The action taken herein shall not be construed as a finding of the value of the properties to be transferred. In issuing this decision, we place buyers on notice that we do not regard the number of shares outstanding nor the purchase price of the shares as measuring the return the utility should be allowed to earn on its investment in plant and that this authorization is not to be construed as a finding of the value of utility's stock or property, nor as indicative of amounts to be included in proceedings for the determination of just and reasonable rates.

Findings of Fact

1. Utility is a public utility operating under the jurisdiction of this Commission.

2. The sale of all the outstanding stock to the buyers as set forth in the application would not be adverse to the public interest.

Conclusions of Law

1. A public hearing is not necessary.
2. The application should be granted to the extent set forth in the order which follows.


O R D E R


IT IS ORDERED that:

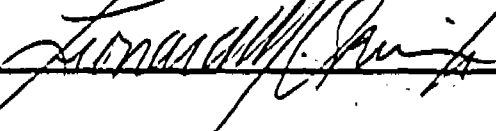
1. Fred J. Fahlen, Boyd Sears, III, and Charles F. Gierau may acquire all of the issued and outstanding common stock of Sleepy Hollow Acres, Inc.
2. Fred J. Fahlen, Boyd Sears, III, and Charles F. Gierau may control Sleepy Hollow Acres, Inc.
3. Within ninety days after the date hereof Fred J. Fahlen, Boyd Sears, III, and Charles F. Gierau and Sleepy Hollow Acres, Inc. shall file reports informing the Commission whether or not the control authorized has been completed.

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

Dated FEB 4 1981, at San Francisco, California.



President




Commissioners