

Decision 93634 OCT 20 1981

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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of S. Andrew McBeth  
doing business as McBeth Acres  
Water System to sell to Harold P.  
and Vivian J. Carter to buy the  
water system in Terwer Valley,  
Klamath, Del Norte County.

Application 60825  
(Filed August 17, 1981)

O P I N I O N

This is a joint application, under Public Utilities Code § 851, of S. Andrew McBeth (McBeth) to sell and Harold P. and Vivian J. Carter (Carter) to buy McBeth Acres Water System.

The system is located in Terwer Valley, a few miles east of the community of Klamath, Del Norte County, and serves some 150 customers. The system has the following principal components:

1. Land parcel, 75 by 100 feet, main well location.
2. Two wells, 10- and 12-inch diameter.
3. Three pumps, capacity 9,000 gph.
4. Three tanks, 100,000 gallon capacity.
5. 42,055 feet of water mains.
6. Other miscellaneous equipment and facilities.

As of December 31, 1980 the original cost of the plant in service was \$36,739 and the depreciation reserve was \$20,123, resulting in net depreciated plant of \$16,616. The selling price is \$30,000, to be paid over 20 years at 6% interest.

McBeth wishes to dispose of the system because of his age - "will be 80 soon". Carter is retiring from the U.S. Air Force and relocating in Terwer Valley. He assisted McBeth in operating and maintaining the system during 1974 and 1975. Customer deposits and main extension advances should be refunded when due by Carter.

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A.60825 ALJ/ec/nb \*

If McBeth and Carter wish to have McBeth assume any or all of these refund costs they are at liberty to do so.

The application indicates that certain improvements costing an estimated \$3,000 were necessary to bring the system up to the standards of General Order 103. However, the work has been completed and paid for by McBeth.

Carter proposes to adopt the present tariffs of McBeth and agrees to comply with any outstanding Commission orders or directives related to the water system.

Customers of the system were served notice of this application. No protests to the application have been received.

Findings of Fact

1. Public hearing in this matter is not necessary.
2. The sale of the water system as proposed is in the public interest.
3. This authorization is not a finding of the value of the rights and properties to be transferred.

Conclusions of Law

1. The sale of the water system as proposed should be authorized.
2. When the authorized sale is complete and the conditions of this order are fulfilled, S. Andrew McBeth should be relieved of his public utility obligations for the transferred system.

The Carters are placed on notice that rates will be based upon the depreciated original cost of utility plant, excluding contributed plant, and not on the purchase price.

O R D E R

IT IS ORDERED that:

1. On or before December 31, 1981, S. Andrew McBeth may transfer the water system designated in the application to Harold P. and Vivian J. Carter.

2. As a condition of this grant of authority, buyer shall assume the public utility obligations of seller, shall assume liability for refund of all existing customer deposits and main extension advances, and shall notify the affected customers.

3. Within 10 days after transfer buyer shall write the Commission, stating the date of transfer and the date the requirements of paragraph 2 were completed.

4. Buyer shall either file a statement adopting seller's tariffs or refile those tariffs under its own name as prescribed in General Order Series 96. Rates shall not be increased unless authorized by this Commission.

5. Before the transfer occurs, seller shall deliver to buyer, and buyer shall keep, all records of the construction and operation of the water system.

6. Within 90 days after actual transfer buyer shall file, in proper form, an annual report on seller's operations from the first day of the current year through date of transfer.

7. When this order has been complied with, seller shall have no further obligations in connection with this water system.

This order becomes effective 30 days from today.

Dated October 20, 1981, at San Francisco, California.

JOHN E. BRYSON  
President  
RICHARD D. GRAVELLE  
LEONARD M. GRIMES, JR.  
VICTOR CALVO  
PRISCILLA C. GREW

Commissioners

*I certify that this decision was approved by the above Commissioners today.*

