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Decision 96-02-005 February 7, 1996

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
STANLEY D. and OPAL L. MEYERS doing)
business as MEYERS WATER COMPANY)
to sell and KENNY and HEIDI VAN GORDER)
to buy the water system in Napa County.)

ORIGINAL
Application 96-02-005
(Filed July 28, 1995)

O P I N I O N

Stanley D. and Opal L. Meyers (sellers), doing business as Meyers Water Company (MWC), and Kenny and Heidi Van Gorder (buyers), jointly request authority to transfer MWC to buyers.

The Water Utilities Branch (Branch) of the Commission Advisory and Compliance Division investigated the application and, on November 13, 1995, reported as follows:

"By the above-numbered application, Stanley D. & Opal L. Meyers, current owners of Meyers Water Company, seek Commission authorization to sell and transfer ownership of Meyers Water Company to Kenny and Heidi Van Gorder. Meyers Water Company currently serves 96 residential customers along Milton Road in the Edgerly island area, approximately 12 miles southwest of the City of Napa. Any consideration of supplying this area from the City of Napa is moot, because the cost of providing a pipeline that far outside of the city limits is extremely prohibitive.

"The Van Gorders have already purchased the Meyers' home at 1832 Milton Road and adjacent property on which the well, storage tank, pump and other pertinent equipment of Meyers Water Company are located.

"The reason for the transfer of ownership is the ages of the current owners. Both Mr. and Mrs. Meyers are in their mid-60's and Mr. Meyers has experienced some recent health problems. The Van Gorders, on the other hand, are a younger couple (late 20's to early 30's) and are physically able to devote more time and energy to running the water company than Mr. Meyers

will be able to give. The Meyers have owned and operated the water system for 31 years but now wish to retire.

"The Van Gorders grew up in the Edgerly Island area and wish to provide the community with good service. Mr. Van Gorder is an Oakland fireman with a schedule that allows him 20 days per month to maintain and operate the water system. Mrs. Van Gorder has computer and business experience and is home everyday to maintain watch on the system. In addition, the Meyers' son resides in the area. He has helped his father operate the water system for several years and is available to give Mr. Van Gorder assistance, if necessary.

"Mrs. Meyers has already been working with Mrs. Van Gorder in training her to maintain the books and all other necessary paper work for running the company.

"The effective date of the sale is January 1, 1996 or any subsequent date that the Commission may so order. The new owners intend to retain the name of Meyers Water Company and have no plans to rename the company for themselves.

"The Water Utilities Branch (Branch) of CACD has reviewed this application and can see no reason why this application for transfer of ownership should not be approved. Branch staff met with both the Meyers and the Van Gorders to determine if the new owners were cognizant of all of the rules and regulations of running a water utility company as well as all of the necessary paperwork involved. The Branch is satisfied that there are no problems in this area.

"Current rates will remain the same. However, Meyers Water Company is scheduled to file for its next GRC in 1996 and Mrs. Meyers is working with Mrs. Van Gorder in showing her how to file for a rate increase when the time comes.

"Notice of the pending transfer of ownership was mailed to all of the customers on October 23, 1995. To date, the Branch has received no protests or comments from any of the customers.

"Therefore, the Water Utilities Branch believes this pending sale and transfer of ownership is

in the best interests of the customers of Meyers Water Company and all concerned parties, and recommends that Application 95-07-025 be approved ex parte and the transfer of ownership be allowed to take place on or about January 1, 1996."

The application states that there are no customer deposits to establish credit or main extension advances and includes the following statement:

"Purchaser is paying \$23,953 more than the original cost of net depreciation and contributions. He understands that rates will be based upon the depreciated original cost of the plant, excluding contributed plant, and not on the purchase price."

Findings of Fact

1. Sellers and buyers jointly request authority to transfer the utility known as MWC to buyers.
2. Branch has investigated the application and recommends its ex parte approval.
3. A public hearing is not required.
4. As this matter is not controversial, this order should be effective immediately.

Conclusion of Law

The application should be granted.

O R D E R

IT IS ORDERED that:

1. On or before March 31, 1996, Stanley D. and Opal L. Meyers (sellers) may transfer the water system designated in the application to Kenny and Heidi Van Gorder (buyers), according to the terms of the agreement.
2. As a condition of this grant of authority, buyers shall assume the public utility obligations of sellers, and shall notify the affected customers.

3. Within 10 days after transfer, buyers shall write the Public Utilities Commission (Commission), stating the date of transfer, and the date on which the requirements of paragraph 2 were completed.

4. Buyers shall either file a statement adopting sellers' 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, sellers shall deliver to buyers, and buyers shall keep, all records of the construction and operation of the water system.

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

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

This order is effective today.

Dated February 7, 1996, at San Francisco, California.

DANIEL Wm. FESSLER
President
P. GREGORY CONLON
JESSIE J. KNIGHT, JR.
HENRY M. DUQUE
JOSIAH L. NEEPER
Commissioners