

LBM

Decision No. 20202.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
OJAI DOMESTIC WATER COMPANY,)
for authority to acquire the Ojai)
Water System and franchises of)
Southern California Edison Company)
and of Southern California Edison)
Company to sell the system and)
franchises to Ojai Domestic Water)
Company.)

ORIGINAL

Application No. 14868

In the Matter of the Application of)
OJAI DOMESTIC WATER COMPANY)
for authority to issue and sell its)
capital stock.)

Application No. 14875

B. F. Woodard, for Southern California Edison Company;
Gibson, Dunn and Crutcher, by Paul R. Watkins, for
the Ojai Domestic Water Company.

BY THE COMMISSION:

O P I N I O N

In Application No. 14868 Southern California Edison Company asks permission to sell all of its water business, water properties and water franchises located in the town of Ojai, to Ojai Domestic Water Company, in consideration for the payment of \$40,000.00. In Application No. 14875 Ojai Domestic Water Company asks permission to issue and sell \$40,000.00 of its common capital stock at par and use the proceeds from the sale thereof to pay for the aforesaid properties.

On April 30, 1928, pursuant to Decision No. 19577, dated April 10, 1928, the Southern California Edison Company acquired the properties of the Ojai Power Company, which properties included an electric and water distributing system. Since then it has operated and maintained the water distributing system formerly owned by the

Ojai Power Company in the town of Ojai, and which it now asks permission to sell. A detailed description of the properties which the Southern California Edison Company asks permission to sell to the Ojai Domestic Water Company is contained in the deed filed as Exhibit "A" in Application No. 14368.

There has been filed in these proceedings as Exhibit No. 1 a statement showing the investment in the water properties, which is as follows:-

Organization	\$219.98
Franchise	409.96
Miscellaneous intangible capital	250.00
Land	376.86
Wells	4,203.26
Structures	1,619.97
Pumping equipment	6,286.03
Distribution mains	27,370.91
Services	3,094.69
Meters	6,577.05
Engineering and superintendence	1,999.78
Miscellaneous construction expenditures	391.83
Miscellaneous investments	2,225.00
	<u>55,025.32</u>
Less depreciation reserve	<u>2,624.59</u>
	52,400.73
Construction work in progress July 31	807.68
Total	<u>\$53,208.41</u>

It is of record that Exhibit No. 1 represents the closing entries on the books of the Ojai Power Company as of April 30, 1928 and the cost of the construction work in progress up to July 31st, which represents work done by the Southern California Edison Company.

The Ojai Power Company in reports filed with the Railroad Commission shows its operating revenues from the sale of water for 1925, \$7,827.85; for 1926 at \$9,601.41; and for 1927 at \$10,941.60. The same year's operating expenses are reported at \$5,473.50; \$6,327.60; and \$8,121.53 respectively. The net operating revenue for 1925 is reported at \$2,354.35; for 1926 at \$3,273.81; and for 1927 at \$2,820.07. For 1925 the company reports 322 consumers; for 1926, 371; and 1927, 406.

It is of record that the Southern California Edison Company is primarily engaged in the business of generating, transmitting and distributing electric energy and that it does not desire to continue with the maintenance and operation of the water system at Ojai, or of any water distributing system. It is believed that the water system at Ojai can be operated by the Ojai Domestic Water Company as an independent entity more economically and satisfactorily and that the acquisition of the properties by the Ojai Domestic Water Company will result in an increased efficiency and economy, and that the consumers will be benefitted by such acquisition and operation of the properties by the Ojai Domestic Water Company.

ORDER

Southern California Edison Company having asked permission to sell its water business, water properties and water franchises located in the town of Ojai, to the Ojai Domestic Water Company, and the Ojai Domestic Water Company having asked permission to acquire such properties and to issue \$40,000.00 of stock, a public hearing having been held before Examiner Fankhauser, and the Commission being of the opinion that the money, property or labor to be procured or paid for by the issue of the stock herein authorized is reasonably required by the Ojai Domestic Water Company and that the expenditures herein authorized are not in whole or in part reasonably chargeable to operating expenses or to income and that these applications should be granted, therefore,

IT IS HEREBY ORDERED as follows;-

1. Southern California Edison Company may sell all of its water business, properties and water franchises more particularly described in Exhibit "A" filed in Application No. 14868 to the Ojai Domestic Water Company, such sale to be made pursuant to the terms of the contract filed as Exhibit "B" in Application No. 14868.

2. The Ojai Domestic Water Company may issue and sell at not less than par on or before December 31, 1928 not exceeding \$40,000.00 par value of its common capital stock and use the proceeds to pay for the properties of the Southern California Edison Company, referred to herein.

3. Within thirty days after the acquisition of the properties herein referred to, Ojai Domestic Water Company shall file with the Railroad Commission a certified copy of the deed under which it acquires and holds title to such properties, and shall also file with the Railroad Commission a statement showing the date at which it acquired the properties and the date on which it took possession of the same.

4. Ojai Domestic Water Company shall file with the Railroad Commission a report or reports such as are required by the Commission's General Order No. 24, which order insofar as applicable, is made a part of this order.

DATED at San Francisco, California, this 16th day of September, 1928.

Leon Wilson
C. J. [unclear]
[unclear]
[unclear]
Commissioners.