

Decision No. 38075

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

**ORIGINAL**

In the Matter of the Application )  
of )  
BEN ALI WATER COMPANY, a )  
corporation, and of )  
B. F. STROCK for permission for )  
transfer to B. F. Strock of all )  
the operative properties and )  
franchise of Ben Ali Water Company. )  
----- )

Application  
No. 26776

BY THE COMMISSION:

O P I N I O N

This is an application for an order of the Railroad Commission authorizing the distribution to B. F. Strock of all the properties of Ben Ali Water Company, a corporation, upon dissolution proceedings of said corporation.

Ben Ali Water Company is a corporation organized on or about November 27, 1938, under the laws of the State of California. It is now, and for a number of years has been, engaged in the distribution of water, as a public utility, to domestic consumers in Sacramento County. It presently serves about 386 consumers. Its revenues and expenses for the last three years have been reported as follows:

	<u>1942</u>	<u>1943</u>	<u>1944</u>
Gross revenue	\$7,014.82	\$10,163.50	\$10,721.02
Expenses - exc. taxes	6,486.92	7,355.70	8,054.81
Taxes	125.91	623.61	938.12
Profit for year	401.99	2,184.19	1,728.09

The assets and liabilities of the corporation, as of April 30, 1945, are reported as follows:

Assets

Fixed assets	\$33,997.50	
Reserve for depreciation	<u>5,219.52</u>	\$28,777.98
Cash		2,427.34
Accounts receivable		<u>1,286.44</u>
		<u>\$32,491.76</u>

Liabilities

Capital stock	\$12,500.00
Consumers paid in advance	32.23
Payroll taxes collected	.24
Donations in aid of construction	20,505.72
Deficit	<u>(546.43)</u>
	<u>\$32,491.76</u>

The corporation has outstanding 500 shares of no par common stock. It is all owned by B. F. Strock who is its president and manager. It is believed that the expenses of operation, particularly taxes, can be reduced by dissolving the corporation and distributing its assets to B. F. Strock. She will assume all the liabilities of the corporation and continue to operate the water properties under the rates, rules and regulations which Ben Ali Water Company now has on file with the Commission. She should, prior to the acquisition of the properties, file with the Commission a notice of adopting said rates, rules and regulations, such adoption to become effective concurrently with the acquisition of the properties.

In setting up her books of account, B. F. Strock should record therein the fixed assets, reserve for depreciation, and donations in aid of construction in the same amounts at which these accounts appear on the books of the corporation at the time of the transfer of the properties.

The certificate of public convenience and necessity herein authorized to be transferred, is subject to the law which provides that the Commission shall have no power to authorize the capitalization of this certificate of public convenience and necessity or the right to own, operate or enjoy such certificate of public convenience and necessity in excess of the amount (exclusive of any tax or annual charge) actually paid to the State as the consideration for the issuance of such certificate of public convenience and necessity or right.

#### O R D E R

Application having been made to the Railroad Commission for an order authorizing the transfer of properties, as set forth in the preceding opinion, and the Commission having considered the matter and being of the opinion that a public hearing is not necessary and that the application should be granted, as herein provided,

IT IS HEREBY ORDERED as follows:

1. Ben Ali Water Company may, after the effective date of this order and on or before December 31, 1945, distribute and transfer to B. F. Strock its public utility water properties and assets, provided said B. F. Strock assumes all liabilities of said Ben Ali Water Company.
2. Prior to the acquisition of said properties, B. F. Strock shall file with the Commission a notice that she will, concurrently with the acquisition of said properties, adopt the rates, rules and regulations of Ben Ali Water Company now on file with the Railroad Commission.

3. B. F. Strock shall record on her books of account the same amounts appearing on the books of Ben Ali Water Company for fixed capital, reserve for depreciation, and donations in aid of construction and shall assume the payment of all obligations of Ben Ali Water Company not paid or discharged upon the dissolution of that corporation.

4. Within thirty (30) days after the transfer of the properties, B. F. Strock shall file with the Commission a copy of the deed or other instrument of conveyance under which she acquires and holds title to said properties and a statement showing the exact date upon which she took possession of and commenced operating said properties in her own name.

5. The authority herein granted will become effective twenty (20) days from the date hereof.

Dated at ~~Los Angeles~~, California, this 10<sup>th</sup> day

of July, 1945.

*Handwritten initials*

*Harold Rudman*  
*Richard Lachse*  
*Francis Davis*  
*Earl Powell*  
Commissioners