

ORIGINAL

Decision No. 36430

Alfred W. Mondorf has agreed to sell his certificate BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA of public convenience and necessity, about 155 acres of land, and

his public utility water system, including the right of diversion In the Matter of the Application)

of ALFRED W. MONDORF, for certain springs; granted by the State of)
and SMITHSON SPRINGS WATER)

COMPANY, a corporation, to Public Works; Division Application Re-)
chase, a certificate of public) No. 27539
convenience and necessity, for, permit No. 5230, Application No.)
sale and distribution of water)

and for an order authorizing the sale of his interest in and to)
issue of stock.)

Application No. 10271, filed on August 28, 1944. He has agreed

to sell said properties to Smithson Springs Water Company for

\$13,250, of which \$2,700 ~~is~~ ^{is} ~~paid~~ ^{paid} in cash and \$10,500 is pay-

able in stock of Smithson Springs Water Company. Applicants

In this application, the Commission is asked to make an value the land at \$3,250 and the water properties at \$10,000.

order authorizing Alfred W. Mondorf to sell his public utility It is the intention of Smithson Springs Water Company to sub-

water properties to Smithson Springs Water Company, a corporation, divide and sell those portions of the land not required for the and authorizing the latter to issue at par, 205 shares (\$20,500 operation of the water company.

par value) of stock for the purposes hereafter stated.

Smithson Springs Water Company asks permission to

By Decision No. 36430, dated June 8, 1943, in Applica- issue, as said, 205 shares of stock of the par value of \$100 per tion No. 25322, the Commission granted Alfred W. Mondorf a certi- share. It proposes to issue the stock to the following:

certificate of public convenience and necessity authorizing him to

Alfred W. Mondorf, in part payment for operate a public utility water system in that fractional portion

of Section 7 lying south of State Highway No. 138; the east one- wife as joint tenants, for cash 20

half and also the S.E. $\frac{1}{4}$ of S.E. $\frac{1}{4}$ of S.W. $\frac{1}{4}$ of Section 18, and the Wilhelm Heineman and Hanna Heineman,

N.E. $\frac{1}{4}$ of Section 19, well in Township 4 North, Range 7 West, for cash 20

S.B.B. & M., about five miles west of Phelan, San Bernardino Fred Biersach and Gladis C. Biersach,

County, California, comprising some 535 acres, as said area is for cash 20

delineated on a map filed as Exhibit No. 2 in that proceeding.

Hale Grettenberg and Maudie A. Grettenberg,

husband and wife as joint tenants,

For 1945 Alfred W. Mondorf reports operating revenues 20

of \$687.64. His report shows that he served water to twenty-nine

Henry Fischer and Erna Hildegart Fischer; husband and wife as joint tenants, for cash	<u>20 shares</u>
Total	205 shares

Through the issue of the stock Smithson Springs Water Company will realize \$10,000, which it intends to expend for the following purposes:

To make cash payment to Alfred W. Mondorf	\$ 2,750.00
To pay organization expenses	350.00
To pay in part the cost of acquiring rights of way, a reservoir site, construct reservoir, pipe lines and buildings	<u>6,900.00</u>
Total	<u>\$10,000.00</u>

The total cost of the improvements which Smithson Springs Water Company intends to install is estimated at \$12,150. It expects to file at a later date an application to issue additional stock to raise funds to pay for the improvements.

The Commission has considered this application and is of the opinion that it should be granted. The authority herein granted should, however, not be construed to be a finding of value of the properties herein authorized to be transferred. The certificate of public convenience and necessity authorized to be transferred is subject to the provisions of law that the Commission shall have no power to authorize the capitalization of the certificate or the right to own, operate or enjoy such certificate in excess of the amount (exclusive of any tax or annual charge) originally 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

The Commission having considered applicants' requests and being of the opinion that this is not a matter on which a hearing is necessary; that the money, property or labor to be procured or paid for through the issue of the stock herein authorized is reasonably required by Smithson Springs Water Company for the purposes herein stated; that the expenditures for said purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income, and that this application should be granted, subject to the provisions of this order, therefore,

IT IS HEREBY ORDERED as follows:

1. Alfred W. Mondorf may, after the effective date hereof and on or before December 31, 1946, sell and transfer to Smithson Springs Water Company his public utility water properties described in the amended application filed on June 27, 1946. Smithson Springs Water Company may acquire and operate said properties.

2. Smithson Springs Water Company may, after the effective date hereof and on or before December 31, 1946, issue not exceeding 205 shares of its capital stock and deliver 105 of said shares of stock to Alfred W. Mondorf in part payment for his public utility water and other properties, and sell the remaining 100 shares of stock, at not less than \$100 per share, and use the proceeds for the following purposes:

To pay in part for the cost of the properties acquired from Alfred W. Mondorf	\$2,750.00
To pay organization expenses	350.00
To pay in part the cost of acquiring rights of way, a reservoir site, and construct a reservoir, pipe lines and buildings	6,900.00

3. If Smithson Springs Water Company acquires said public utility water properties, it is hereby directed to file, on or before the date of acquisition of said properties, four (4) copies of the schedule of rates for water service furnished by said properties, which rates shall not be higher in any particular than the applicable rates now on file.

4. If Smithson Springs Water Company acquires said public utility water properties, it is hereby directed to file, on or before September 30, 1946, four (4) sets of rules and regulations governing relations with customers, each set to contain a map or sketch, drawn to an indicated scale and about 8½ by 11 inches in size, showing the area served and location thereof relative to surrounding territory.

5. If Smithson Springs Water Company acquires said properties, it is hereby directed to file, on or before September 30, 1946, four (4) copies of a comprehensive map drawn to an indicated scale of not less than 600 feet to the inch, delineating by appropriate markings the area served. Such map shall be reasonably accurate, show source and date, and include sufficient data to determine clearly the location of the area served. The filing of service area maps shall not be construed as the determination or establishment of the dedicated area of service.

6. Smithson Springs Water Company, if it acquires said properties, shall file reports required by the Commission's General Order No. 24-A, which order, insofar as applicable, is made a part of this order. It shall also file with the Commission within thirty (30) days after the acquisition of said properties, a copy of the deed and bill of sale under which it acquired

and holds title to said properties.

7. The authority herein granted will become effective upon the date hereof.

Dated at San Francisco, California, this 30th day of July, 1946.

David Rudman
Justus F. Coe
Francis J. ...
... ..
Harold P. ...
 Commissioners