

Decision No. 40155

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application)
of)

Application
No. 28321

GARDINER IMPROVEMENT COMPANY, a)
corporation, to transfer, and)
J. WILBUR GARDINER to acquire,)
the properties and business of)
what is commonly known as Isleton)
Water System.)
-----)

O P I N I O N .

This is an application for an order of the Public Utilities Commission authorizing Gardiner Improvement Company to transfer a public utility water system to J. Wilbur Gardiner.

Gardiner Improvement Company is a corporation engaged in the business of merchandising and farming and in the operation of a public utility water system serving the Town of Isleton and vicinity in Sacramento County. As of March 1, 1947, it reported its investment in current and fixed assets, less reserves for depreciation, at \$844,568.62 which is offset by current liabilities and other credits of \$165,223.35 and capital stock and surplus items of \$679,345.27.

The corporation heretofore has had \$571,800 par value of stock outstanding. It appears that on March 1, 1947, it reduced the stated value of its stock to \$437,775, transferring the amount of the reduction, that is, \$134,025, to "Reduction Surplus Account", and that it now proposes to withdraw and use assets of

the estimated present fair value of \$134,025 in order to purchase 1340½ shares (\$134,025 par value) of its outstanding stock now held by J. Wilbur Gardiner. The application shows that a resolution authorizing the reduction of the stated capital was passed by the corporation's Board of Directors and that a "Certificate of Reduction of Stated Capital" has been filed with the Secretary of State of California.

The properties to be transferred to J. Wilbur Gardiner include 216.04 acres of ranch land, certain city lots and the public utility water system, all of an estimated fair value of \$134,025. The fair value of the water system is estimated by applicants at \$13,952.79. The water properties are described in Exhibit "C" on file in this application.

For the past three years Gardiner Improvement Company has reported its public utility operating revenues and expenses as follows:

	<u>1944</u>	<u>1945</u>	<u>1946</u>
Operating revenues	<u>\$7,642</u>	<u>\$7,825</u>	<u>\$7,508</u>
Deductions			
Operating expenses	3,906	4,288	3,954
Taxes	355	361	349
Depreciation	<u>2,136</u>	<u>2,113</u>	<u>2,190</u>
Total deductions	<u>6,397</u>	<u>6,762</u>	<u>6,493</u>
Net operating revenues	<u>\$1,245</u>	<u>\$1,063</u>	<u>\$1,015</u>
Number of consumers	<u>205</u>	<u>199</u>	<u>205</u>

The application shows that J. Wilbur Gardiner, who has been active in the conduct of the business for many years, now desires to withdraw from the corporation and is willing to surrender his stock in exchange for the properties referred to herein. The record in the proceeding indicates that he is financially responsible and otherwise able to operate the water proper-

ties.

O R D E R

The Public Utilities Commission having considered the above entitled 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. Gardiner Improvement Company, after the effective date hereof and on or before July 31, 1947, may transfer to J. Wilbur Gardiner its public utility water properties more particularly described in Exhibit "C" on file in this application.
2. Gardiner Improvement Company, on or before the date of actual transfer of said properties, shall refund deposits, if any, which consumers are entitled to have refunded, and shall file with the Commission, on or before August 31, 1947, a written statement showing disposition of any such deposits or indicating that no deposits existed.
3. J. Wilbur Gardiner, if he acquires the water properties under the authority herein granted, shall file with the Commission, on or before the date of acquisition of said properties, four (4) copies of the schedule of rates for water service to be furnished by said properties, which rates shall not be higher in any particular than the applicable rates now on file with the Commission.

4. J. Wilbur Gardiner, if he acquires said public utility water properties, is hereby directed to file, on or before August 31, 1947, 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. J. Wilbur Gardiner, if he acquires said properties, is hereby directed to file, on or before August 31, 1947, 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. J. Wilbur Gardiner, if he acquires said properties, 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 he acquired and holds title to said properties, a statement indicating the exact date upon which he obtained ownership and control of the properties and a copy of each journal entry used to record on his books the cost of acquiring said water utility properties and the distribution of such cost to primary accounts.

7. The authority herein granted shall not be construed to be a finding of value of the properties herein authorized to be transferred.

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

Dated at San Francisco, California, this 15th day of April, 1947.

Harold Hule
Justice D. Galloway
Dean H. Lawrence
R. J. ...
Commissioners