

ORIGINAL

Decision No. 40371

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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|--------------------------------------|---|-------------|
| In the Matter of the Application of |) | |
| (1) LUCIEN HUBBARD and ALICE E. | : | |
| HUBBARD, DBA BUBBLING WELL WATER |) | |
| SYSTEM, for an order authorizing | : | |
| the sale of the Water System to |) | |
| Bubbling Well Water System, Inc., a | : | Application |
| California corporation; and (2) |) | No. 28478 |
| BUBBLING WELL WATER SYSTEM, INC., a | : | |
| California corporation, for an order |) | |
| authorizing issue of securities. | : | |
| ----- |) | |

O P I N I O N

This is an application for an order of the Public Utilities Commission authorizing Lucien Hubbard and Alice E. Hubbard to transfer certain water properties to Bubbling Well Water System, Inc., a corporation, and authorizing said corporation to issue 110 shares of its common capital stock of the aggregate par value of \$11,000.00.

The application shows that Lucien Hubbard and Alice E. Hubbard are the owners of certain real property located in Riverside County, known as the Bubbling Well Subdivision, upon which they recently have constructed a water system at a cost of \$10,073.33. By Decision No. 40056, dated March 11, 1947, as amended, the Commission granted to them a certificate of public convenience and necessity to construct, maintain and operate a public utility water system for domestic, irrigation, commercial and other purposes, in the area comprising 160 acres, more or less, located in the west one-half of the east one-half of Section 5,

Township 3 South, Range 5 East, S.B.E. & M. in Riverside County, and directed them to file with the Commission, on or before June 30, 1947, schedules of rates, rules and regulations, and maps pertaining to said system. Such filings have not yet been made.

It is now proposed to have the water business conducted by a corporation and to that end there has been organized Bubbling Well Water System, Inc., to receive and hereafter to operate the water properties referred to herein. Said corporation, subject to obtaining permission from this Commission, proposes to issue 100 shares (\$10,000 par value) of its common capital stock in full payment for the properties and, in addition, to issue and sell, at par for cash, 10 shares (\$1,000 par value) of common stock to pay organization expenses and to provide working capital.

The Commission has considered this matter and is of the opinion that the requests of applicants should be granted. The certificate of public convenience and necessity herein authorized to be transferred is subject to the provisions of law that the Commission has no power to authorize the capitalization of the certificate of public convenience and necessity or the right to own, operate or enjoy such certificate in excess of the amount (exclusive of any tax or annual charge) actually paid to the State as the consideration for the grant of such certificate or right. Further, the authority herein granted shall not be construed to be a finding of value of the properties herein authorized to be transferred.

If Bubbling Well Water System, Inc. acquires the water properties of Lucien Hubbard and Alice E. Hubbard under the

authority herein granted, it will not be necessary for them to file the schedules of rates, rules and regulations and the maps as directed by Decision No. 40056, as amended. The order herein will direct Bubbling Well Water System, Inc. to make such filings in its own name.

O R D E R

Application having been made to the Public Utilities Commission for an order authorizing Lucien Hubbard and Alice H. Hubbard to transfer properties and Bubbling Well Water System, Inc. to issue \$11,000 par value of stock, and the Commission being of the opinion that a public hearing is not necessary and that the money, property or labor to be procured or paid for through the issue of such stock is reasonably required for the purposes specified herein, which purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income, therefore,

IT IS HEREBY ORDERED as follows:

1. Lucien Hubbard and Alice H. Hubbard, after the effective date hereof and on or before July 31, 1947, may transfer to Bubbling Well Water System, Inc. the certificate of public convenience and necessity granted to them by Decision No. 40056, dated March 11, 1947, as amended, and the water system referred to herein.

2. Bubbling Well Water System, Inc., after the effective date hereof and on or before July 31, 1947, may issue \$10,000 par value of its common capital stock in payment for the

water properties herein authorized to be transferred, and may issue and sell, at par for cash, \$1,000 par value of its common capital stock for the purpose of paying organization expenses and of providing working capital.

3. Bubbling Well Water System, Inc. shall file with the Commission a report, or reports, of the issue of the stock herein authorized as required by the Commission's General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

4. Bubbling Well Water System, Inc. shall file with the Commission in quadruplicate, within thirty (30) days from the date of this order, in conformity with the Commission's General Order No. 96, the schedules of rates ordered by the second ordering paragraph in Decision No. 40056, dated March 11, 1947.

5. Bubbling Well Water System, Inc., within sixty (60) days from the date of this order, shall submit to this Commission four (4) sets of rules and regulations governing relations with its consumers, each set of which shall contain a suitable map or sketch, drawn to an indicated scale upon a sheet 8½ x 11 inches in size, delineating thereupon in distinctive markings the boundaries of its present service area and the location thereof with reference to the immediate surrounding territory; provided, however, that such map or sketch shall not thereby be considered by this Commission or any other public body as a final or conclusive determination or establishment of the dedicated area of service, or any portion thereof.

6. Bubbling Well Water System, Inc., within sixty (60) days from the date of this order, shall file with this Commission four (4) copies of a comprehensive map, drawn to an indicated scale of not less than 600 feet to the inch, upon which shall be delineated by appropriate markings the territory presently served. This map should be reasonably accurate, show the source and date thereof, and include sufficient data to determine clearly and definitely the location of the property comprising the entire utility area of service; provided, however, that such map shall not thereby be considered by this Commission or any other public body as a final or conclusive determination or establishment of the dedicated area of service, or any portion thereof.

7. The authority herein granted shall become effective fifteen (15) days from the date hereof.

Dated at San Francisco, California, this 10th day of June, 1947.

Harold A. Kula
Justus J. Gallivan
Wm. H. Powell
A. J. Morrison
Frank Potter
Commissioners