

Decision No. 45117

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 RANCHO MIRAGE ANNEX NO. 2, a Cali-)
 fornia corporation, for an order) Application No. 31888
 authorizing the sale of public utility)
 property located in Riverside County,)
 California.)

OPINION AND ORDER

ORIGINAL

Rancho Mirage Annex No. 2, a corporation, on November 3, 1950, applied for authority to sell its plant, system, and properties to A. Ronald Button, Gladys M. Button and David F. Culver as tenants in common, in accordance with the terms of a proposed bill of sale attached to the application as Exhibit B. A copy of the deed, dated January 24, 1950, by which applicant transferred and conveyed all of the real property owned by it to grantees is attached to the application as Exhibit C.

Applicant was granted a certificate of public convenience and necessity by the Commission's Decision No. 43277, dated August 29, 1949, in Application No. 30132, to construct and operate a public utility water system in and about Rancho Mirage Annex No. 2 near Palm Springs, Riverside County, California.

Applicant now desires to transfer its entire property and assets, including its public utility water business to A. Ronald Button, President, Rancho Mirage Annex No. 2, Gladys M. Button, his wife, and David F. Culver, as tenants in common. Transferees are the sole shareholders of applicant, and are the sole officers, managers and operators of the properties. It is desired to dissolve

the corporation, Rancho Mirage Annex No. 2, and to effect the requested transfer of assets, for tax purposes.

In a balance sheet attached to the application as Exhibit A, applicant's assets as of December 31, 1949 were \$51,397.54. This balance sheet shows liabilities, consisting of loans paid to officers, in the amount of \$3,392.33, and capital, consisting of capital stock issued, in the amount of \$21,000, and earned surplus in the amount of \$27,005.21. The profit and loss statement attached to the application as Exhibit A shows a net operating loss of \$101.15 for the year ended December 31, 1949. The amounts included in both the balance sheet and income statement are applicable to Rancho Mirage Annex No. 2 as a whole and are not exclusively applicable to water system operations.

No change in operations of applicant as a public utility is indicated and it appears, therefore, that public hearing is not necessary herein, that the sale and transfer of these properties is not adverse to the public interest, and that the application should be granted, subject to certain conditions:

IT IS HEREBY ORDERED that Rancho Mirage Annex No. 2 may, on or after the effective date hereof, and on or before January 1, 1951, sell and transfer the herein described public utility property to A. Ronald Button, Gladys M. Button and David F. Culver, as tenants in common, pursuant to the bill of sale attached to the application as Exhibit B and to the deed attached to the application as Exhibit C, subject to the following conditions:

1. The rates, rules and regulations of Rancho Mirage Annex No. 2, now legally on file with this Commission, shall be refiled within thirty (30) days from the date of transfer under the name of A. Ronald Button, Gladys M. Button and David F. Culver in accordance with procedure prescribed by General Order No. 96, or in lieu of such refiled, applicant

may file a notice of adoption of said presently filed rates. No increases in the present lawfully filed rates, rules and regulations, shall be made unless otherwise properly authorized by this Commission.

2. That on or before the date of actual transfer, Rancho Mirage Annex No. 2 shall refund all deposits which customers are entitled to have refunded; and that any unrefunded deposits shall be transferred to and become the obligation for refund of A. Ronald Button, Gladys M. Button and David F. Culver.
3. That the proposed accounting entries by which the properties will be distributed to accounts on the books of the purchaser shall be submitted for approval by this Commission.
4. If the authority herein granted is exercised, the applicant shall, within thirty (30) days thereafter, notify this Commission in writing, of the date of such completion of the property transfer herein authorized and of its compliance with the conditions hereof.
5. The action taken herein shall not be construed to be a finding of the value of the property herein authorized to be transferred.

The effective date of this order shall be twenty (20) days after the date hereof.

Dated at San Francisco, California, this 12th day of December, 1950.

[Signature]
Justus J. Casner
[Signature]
Harold P. Hula
[Signature]
 Commissioners