

Decision No. 46881

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Joint Application of)	
CLARA B. BARTLETT, an individual doing	:	
business as POMONA VALLEY WATER COMPANY and)	
of POMONA VALLEY WATER COMPANY, a California	:	
corporation, for permission to issue stock)	Application
and for authority to sell and transfer	:	No. 33189
properties to said Corporation and for)	
authority to sell minor portion of land	:	
to a third person.)	
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O P I N I O N

Clara B. Bartlett, hereinafter referred to as Seller, one of the applicants in this proceeding, is engaged in operating a water system giving service to approximately 200 consumers in a subdivided area known as Los Serranos Village, located approximately three and one-half miles southeast of Chino, San Bernardino County. In this application she requests authority to transfer her properties, except a parcel of land containing approximately four and one-half acres, to Pomona Valley Water Company, a corporation, which corporation asks authority to issue 1,000 shares of its no par capital stock in acquiring said properties. Seller asks authority to sell the four and one-half acres of land to Domingo Segura and Marie Segura, as joint tenants, and to Martin Segura, for the sum of \$3,000.

From time to time the Commission has considered the affairs of this utility. In connection with Cases No. 5167, No. 5188 and No. 5196 and Application No. 29767, it reviewed the history of the utility, particularly the litigation in which it had been involved concerning title to the properties and unsatisfactory operating conditions. In Decision No. 44500, dated June 27, 1950, entered in those proceedings, it directed applicant Bartlett to assume control

and operation of the water system and to proceed with plans and specifications for its repair and rehabilitation. At a later date, in connection with Application No. 32463, Seller produced testimony showing that litigation had ceased and that she had acquired full title to the water system, but that due to unfavorable earnings she had been unable to make arrangements to finance the cost of the repairs and replacements to which the Commission had referred in its earlier decision. By Decision No. 46181, dated September 11, 1951, entered in Application No. 32463, the Commission authorized certain increases in rates designed to develop annual net revenues of \$5,600, which would be equivalent to a return of 5.81% on fixed capital estimated at \$96,411. (1)

Seller now reports that in her opinion the financing of the improvements can be accomplished more readily by a corporation than by an individual and that therefore she has made arrangements to transfer the water system to Pomona Valley Water Company, a corporation which has been organized to receive the system and thereafter to continue the operations. Seller reports her net investment at \$73,069.43 as of December 31, 1951, according to Exhibit B, an amount which has been paid or provided through the incurring of liabilities in the amount of \$20,800.88, advances by subdividers in the amount of \$11,341.57, and her own capital in the amount of \$40,926.98. Under the arrangements made, the corporation will issue 1,000 shares of its no par stock in consummating the transaction.

As to the sale of certain real property to Domingo Segura and Marie Segura, and Martin Segura, an investigation by our staff indicates that these lands are not necessary or useful in the operation of the public utility. However, Seller requests authority to

(1)

For the year 1951 Seller reports operating revenues of \$15,924.18 and a net loss of \$2,644.14, after deducting depreciation of \$3,224.04 and interest of \$201.79.

dispose of them in order to remove any doubt as to the title, in view of the fact that such lands at one time were listed as assets of the utility.

The Commission has considered this matter and is of the opinion that the proposed transactions will not be adverse to the public interest. Accordingly, an order will be entered granting applicants' requests.

O R D E R

The Commission having considered the above entitled matter, and being of the opinion that a public hearing thereon is not necessary; that the application should be granted, as herein provided; that the money, property or labor to be procured, or paid for through the issue of the shares of stock herein authorized is reasonably required by Pomona Valley Water Company, a corporation, for the purpose specified herein; and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

1. Clara B. Bartlett, after the effective date hereof and on or before August 31, 1952, may transfer her public utility assets to Pomona Valley Water Company, a corporation, under and pursuant to the terms set forth in this application, and Pomona Valley Water Company, a corporation, in consideration, may assume the payment of outstanding liabilities, as set forth in the preceding opinion, and may issue not exceeding 1,000 shares of its no par common stock.

2. Clara B. Bartlett, after the effective date hereof and on or before August 31, 1952, may sell to Domingo Segura and Marie Segura, and Martin Segura, the parcel of land comprising approximately four and one-half acres, to which reference is made in this application.

3. The action taken herein shall not be construed to be a finding of the value of the properties herein authorized to be transferred.

4. Pomona Valley Water Company, a corporation, shall file with the Commission a copy of each journal entry used to record on its books the acquisition of the assets of Clara B. Bartlett and the distribution of the purchase price to primary fixed capital and other accounts, and shall file a report as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

5. On or before the date of actual transfer, Clara B. Bartlett shall refund all deposits which customers are entitled to have refunded. Any unrefunded deposits shall be transferred to and become the obligation for refund of Pomona Valley Water Company, a corporation.

6. The rates, rules and regulations of Clara B. Bartlett now on file with the Commission shall be refiled within thirty (30) days after the date of transfer under the name of Pomona Valley Water Company, a corporation, in accordance with the procedure prescribed by General Order No. 96, or, in lieu of such refileing, Pomona Valley Water Company, a corporation, may file a notice of adoption of said presently filed rates, rules and regulations. No increase in the present rates shall be made unless authorized by the Commission.

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

Dated at San Francisco, California, this 25th day of March, 1952.

R. T. [Signature]
President
Justice F. [Signature]
[Signature]
[Signature]
Commissioners