

ORIGINAL

Decision No. 47104

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
)
 GORDON GREENING, STANDLEE GREENING)
 AND SOUTHERN CALIFORNIA WATER COMPANY)
)
 for an order or orders (a) authorizing)
 the transfer to Gordon Greening and)
 Standlee Greening, by an inheritance)
 from Walter Greening, of the properties)
 of the unincorporated business known as)
 NORWALK WATER COMPANY; (b) authorizing)
 Gordon Greening and Standlee Greening)
 to sell and transfer said properties to)
 Southern California Water Company; (c))
 authorizing Southern California Water)
 Company to purchase said properties and)
 to render water service in the territory)
 now served thereby; and (d) approving)
 the value at which Southern California)
 Water Company may enter said properties)
 in its fixed capital accounts.)

Application No. 33195

OPINION AND ORDER

Gordon Greening, executor of the last will of Walter Greening, and Standlee Greening, his brother, are the surviving sons of Walter Greening, who, at the time of his death operated a public utility water system in, and in the vicinity of, the unincorporated town of Norwalk, Los Angeles County, and was doing business as Norwalk Water Company. The Commission is asked to (1) authorize the transfer of the system to said Gordon Greening and Standlee Greening, and (2) to authorize said Gordon Greening and Standlee Greening to sell and transfer the system to Southern California Water Company, a corporation.

The system supplies approximately 398 consumers, and the territory served is covered by certificates of public convenience and necessity granted by the Commission in its

Decision No. 20953, issued April 12, 1929, in Application No. 15386, and Decision No. 45105, issued December 5, 1950, in Application No. 30966.

Applicants Gordon Greening and Standlee Greening allege that probate proceedings are now pending in probate case No. 312-592 in the Superior Court of the State of California, in and for the County of Los Angeles, and by a decree of distribution soon to be entered in said proceeding the water system will be distributed to Gordon Greening and Standlee Greening, who have entered into an agreement with Southern California Water Company, providing for the sale and transfer of the property to the said company.

The agreement, marked Exhibit C and attached to the application, provides for a basic purchase price of \$51,563.54 as of November 30, 1951, subject to adjustments to fixed capital for additions and betterments, retirements, and accrued depreciation. The application alleges that the fixed capital for this system was established in the Commission's Decision No. 46155, issued September 4, 1951, in Application No. 32364, as of December 31, 1950, and totalled \$76,044.06; and that additions and betterments installed subsequently result in a total fixed capital of \$77,752.41, as of November 30, 1951, with a reserve for accrued depreciation of \$20,431.95, resulting in a depreciated fixed capital of \$57,320.46. Southern California Water Company asks that the Commission approve this latter sum as the basis for rate making purposes.

The Commission at this time will not make a finding with respect to the rate base it might use in the event it is called upon to fix rates for the water system in question. Southern California Water Company in recording the purchase

of the Norwalk Water Company may charge said sum of \$77,752.41 to its fixed capital account and credit \$20,431.95 to its depreciation reserve, subject to adjustments for transactions since November 30, 1951. The difference between the net fixed capital thus to be entered on the books and the purchase price paid by Southern California Water Company shall be charged or credited to surplus.

The Commission has considered the above application and is of the opinion that this is not a matter on which a public hearing is necessary, that the proposed transfer will not be adverse to the public interest, and that the requests of the applicants should be granted; therefore,

IT IS ORDERED that Gordon Greening and Standlee Greening may, on or after the effective date hereof, and on or before December 31, 1952, acquire and transfer the herein described public utility property to Southern California Water Company, a corporation, pursuant to the agreement for purchase and sale attached to the application as Exhibit C, subject to the following conditions:

1. That within thirty (30) days after the Superior Court of the State of California, in and for Los Angeles County, issues its final decree of distribution of the Estate of Walter Greening, providing for the distribution of the public utility water system herein described to Gordon Greening and Standlee Greening, his surviving sons, said Gordon Greening and Standlee Greening shall file a certified copy of said decree with this Commission, and said distribution of such public utility property shall be considered a transfer to said Gordon Greening and Standlee Greening.
2. If the authority herein granted is exercised, the applicants Gordon Greening and Standlee Greening shall, within thirty (30) days thereafter, notify this Commission in writing of the date of completion of such property transfer herein authorized and of their compliance with the conditions hereof.

- 3.. The rates and rules of the Norwalk Water Company now on file with this Commission, shall be refiled within thirty (30) days from the date of transfer under the name of the Southern California Water Company in accordance with the procedure prescribed by General Order No. 96, or in lieu of such refiling, said applicant may file with this Commission notice of adoption of such filed rates and rules. No increase in the presently filed rates shall be made unless authorized by this Commission.
- 4.. On or before the date of actual transfer to Southern California Water Company, Gordon Greening and Standlee Greening shall refund all deposits, if any, which consumers are entitled to have refunded. Any unrefunded deposits shall be transferred to and become the obligation for refund of the Southern California Water Company, or in the event there are no such deposits, applicants shall file within thirty (30) days after the date of transfer a written statement showing that fact..
- 5.. Within ninety (90) days from the date of transfer, Southern California Water Company shall submit to the Commission a copy of each of its proposed journal entries to reflect the acquisition on its books.
- 6.. 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 5th day of May, 1952.

A. J. [Signature]
President..

James F. [Signature]

Harold [Signature]

[Signature]

[Signature]
Commissioners: