

ORIGINAL

Decision No. 47326

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application of)
)
 SOUTHERN CALIFORNIA WATER COMPANY)
 and MARTIN AND GOOLD WATER CORPORATION)
)
 for an order (a) authorizing Southern)
 California Water Company to acquire all)
 of the properties, and to assume all of)
 the liabilities, of Martin and Goold)
 Water Corporation, and to consolidate)
 the territories served by such properties)
 with the Walnut Grove service area of)
 Southern California Water Company;)
 (b) authorizing Martin and Goold Water)
 Corporation to convey and transfer all)
 of its properties to Southern California)
 Water Company; and (c) authorizing)
 Southern California Water Company to)
 render, and Martin and Goold Water)
 Corporation to discontinue rendering,)
 public utility water service in the)
 territory now served by Martin and)
 Goold Water Corporation.)
 -----)
)

Application
No. 32986

FIRST SUPPLEMENTAL OPINION AND ORDER

By Decision No. 47100, dated May 5, 1952, the Commission authorized Martin and Goold Water Corporation to convey and transfer its properties to Southern California Water Company. The order of the Commission requires Southern California Water Company to record on its books the fixed capital and depreciation reserve accounts of Martin and Goold Water Corporation and to charge the excess of the purchase price paid over the net book value of the assets acquired, less the liabilities assumed, to its surplus account or to a deferred debit account for amortization.

Southern California Water Company now reports that it has made a study of the depreciation reserve of Martin and Goold Water

Corporation and as a result has concluded that such reserve should be reduced from the present balance, which was \$73,045.70 as of the close of 1951, to \$50,201.66. It requests a supplemental order authorizing it to adjust the depreciation reserve balance applicable to the Martin and Goold Water Corporation properties accordingly.

A review by the staff of the Commission indicates that there were some errors in accounting for depreciation and in view of the circumstances under which the book reserve was accumulated it is our opinion that in this particular case sufficient justification exists to replace the book figure with the estimated reserve requirement; therefore,

IT IS HEREBY ORDERED as follows:

1. Southern California Water Company, in acquiring the properties of Martin and Goold Water Corporation under authority granted by Decision No. 47100, dated May 5, 1952, may record on its books in its reserve for accrued depreciation the sum of \$50,201.66, in lieu of the book balance of Martin and Goold Water Corporation at the time of transfer.

2. Ordering paragraph 1 of the order in Decision No. 47100, dated May 5, 1952, reading as follows:

1. Martin and Goold Water Corporation, after the effective date hereof and on or before August 31, 1952, may convey and transfer all its properties to Southern California Water Corporation and thereupon discontinue rendering service.

hereby is amended to read as follows:

1. Martin and Goold Water Corporation, after the effective date hereof and on or before August 31, 1952, may convey and transfer all its properties to Southern California Water Company and thereupon discontinue rendering service.

3. This first supplemental opinion and order is effective upon the date hereof.

Dated at San Francisco, California, this 24th day of June, 1952.

R. E. Dunning
President
Justin J. Casper
Harold P. Niles
Kenneth Totten
W. E. Mitchell
Commissioners