

**ORIGINAL**

Decision No. 48115

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of	)	
R. W. and KATHARINE L. ADCOCK doing	:	
business under the firm name and	)	
style of ADCOCK WATER COMPANY to	:	
transfer and convey said ADCOCK WATER	)	
COMPANY to the ALISAL WATER CORPORA-	:	Application
TION, and further to grant permission	)	No. 33945
to the ALISAL WATER CORPORATION to	:	
operate under the fictitious firm name	)	
and style of ALCO WATER SERVICE, and	:	
to issue stock.	)	
-----	:	

O P I N I O N

In this application the Commission is asked to enter an order authorizing R. W. and Katharine L. Adcock, hereinafter referred to as Sellers, to transfer and convey the public utility water system known as the Adcock Water Company to Alisal Water Corporation and authorizing the latter to assume the payment of indebtedness and to issue 14,280 shares of its no par common stock.

For many years Sellers have been engaged in supplying water to customers in certain subdivided territory adjacent to the City of Salinas under certificates of public convenience and necessity granted by the Commission by Decision No. 27608, dated December 22, 1934, and Decision No. 29702, dated April 26, 1937. In 1952 they extended their activities through the acquisition of the operative rights and properties, as well as all the outstanding shares of stock, of Alisal Water Corporation, a public utility water corporation operating in contiguous territory. (Decision No. 47308, dated June 24, 1952, in Application No. 33484.)

The assets, liabilities and net worth of Sellers, doing business as Adcock Water Company, as of November 30, 1952, are reported as follows:

Assets

Fixed capital -		
Total cost	\$280,002.21	
Less-depreciation reserve	<u>107,899.98</u>	
Net fixed capital		\$172,102.23
Miscellaneous investments (real property)		15,000.00
Current assets -		
Cash	15,194.42	
Notes and accounts receivable	2,650.73	
Material and supplies	<u>863.68</u>	
Total current assets		<u>18,708.83</u>
	Total	<u>\$205,811.06</u>

Liabilities and Net Worth

Long-term debt		\$ 52,076.54
Current liabilities -		
Notes payable	\$ 8,920.00	
Consumers' deposits	1,316.45	
Accrued taxes	<u>160.30</u>	
Total current liabilities		10,396.75
Consumers' advances for construction		30,473.59
Donations in aid of construction		9,146.00
Proprietors' investment		<u>103,718.18</u>
	Total	<u>\$205,811.06</u>

It appears that Sellers now desire to conduct their operations by means of a corporate organization and that they accordingly propose to transfer their operative rights and properties to Alisal Water Corporation and thereafter to have the corporation continue the business under the firm name and style of Alco Water Service.

Although Alisal Water Corporation disposed of its properties pursuant to the authorization granted by Decision No. 47308, it appears that Sellers, who own the outstanding shares of stock, have kept it in existence. At this time there are outstanding 720

shares of stock which were acquired by Sellers for the sum of \$2,000, so that the present request to issue additional shares will bring the total authorized amount up to 15,000 shares. It is reported that presently Alisal Water Corporation has an authorized capital stock of 7,500 shares, all without par value, but that it is taking steps to increase the authorized capital stock to 15,000 shares.

It appears that the transaction as proposed will result in no change in the management of the business and accordingly we are of the opinion that the transaction will not be adverse to the public interest.

#### O R D E R

The Commission having considered the above entitled matter, and being of the opinion that a public hearing is not necessary; that the application should be granted, as herein provided; that the money, property or labor to be procured or paid for by the issue of the shares of stock herein authorized is reasonably required by Alisal Water 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. R. W. and Katharine L. Adcock, doing business under the firm name and style of Adcock Water Company, on and after the effective date hereof and on or before April 30, 1953, may transfer and convey the public utility water properties known as Adcock Water Company to Alisal Water Corporation and the latter corporation,

in acquiring the same, may assume the payment of outstanding indebtedness and issue not exceeding 14,280 shares of no par common stock. Alisal Water Corporation, if it so desires, may conduct its operations under the name of Alco Water Service.

2. The authority herein granted will become effective when Alisal Water Corporation has filed with the Commission a certified copy of the amendment to its articles of incorporation increasing its authorized capital stock to 15,000 shares.

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. The rates, rules and regulations of Adcock Water Company now on file with the Commission shall be refiled within thirty (30) days after the date of transfer under the name of Alisal Water Corporation, doing business as Alco Water Service, in accordance with the procedure prescribed by General Order No. 96, or, in lieu of such refileing, Alisal Water 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.

5. On or before the date of actual transfer, R. W. and Katharine L. Adcock 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 Alisal Water Corporation.

6. If the authority herein granted is exercised, R. W. and Katharine L. Adcock, within thirty (30) days thereafter, shall notify the Commission in writing of the date of the completion of

the transfer herein authorized and of their compliance with the conditions hereof.

7. Alisal Water Corporation shall file with the Commission monthly reports as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

Dated at San Francisco, California, this 6th day of January, 1953.

R. T. [Signature]  
President

James S. [Signature]  
Harold [Signature]

[Signature]  
[Signature]  
Commissioners