

ORIGINALDecision No. 50981

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of FRANK GLOBIN, an
 individual doing business as
 FRANK GLOBIN, a public utility, and
 of TAHOE SOUTHSIDE WATER UTILITY, a
 corporation, for an order authoriz-
 ing the transfer of all assets of
 FRANK GLOBIN, a public utility, to
 the corporation, and further,
 authorizing the corporation to
 issue 5,000 shares of its no par
 value common stock to the individ-
 ual applicant, pursuant to
 Sections 816-819, inclusive, and
 Sections 851-853, inclusive of the
 Public Utilities Code.

Application No. 36460

OPINION AND ORDER

Frank Globin,^{1/} an individual doing business as Frank Globin, a public utility, by application filed November 19, 1954, seeks authority from this Commission to transfer all assets of his public utility water system, including water rights and franchise, to Tahoe Southside Water Utility,^{2/} a corporation, which joins in the application. A certified copy of the Articles of Incorporation of Tahoe is attached to the application as Exhibit A. Further, authority is requested for Tahoe to issue 5,000 shares of no par value common stock.

The properties proposed to be transferred are described more particularly in Exhibit B, and in the proposed form of grant deed and bill of sale attached to the application as Exhibit C. The total cost of the utility properties, less accrued depreciation, as of September 15, 1954, is stated to be \$210,129.01 in the balance sheet attached to the application as Exhibit F.

^{1/} Hereinafter sometimes referred to as Globin.

^{2/} Hereinafter sometimes referred to as Tahoe.

A proposed form of letter agreement, attached to the application as Exhibit D, provides that, as compensation for the utility property, Globin is to receive from Tahoe 5,000 shares of no par value common stock to be issued by Tahoe. In addition, Tahoe is to assume and pay all of the debts and liabilities of the Globin water utility, including amounts due on promissory notes of \$20,000 and \$14,516.42, plus accrued interest on each, and consumers' advances for construction which, as of September 15, 1954, amounted to \$18,373.75.

The water system proposed to be transferred serves water in Al Tahoe and vicinity in El Dorado County, and has been operated continuously by Globin or his predecessors in interest since 1908. The Commission, by its Decision No. 17517, issued October 21, 1926 in Application No. 12913, found that no certificate of public convenience and necessity was then required for the operation of said water system. The records of the Commission show that on November 8, 1950, Globin was authorized by Decision No. 44978 in Application No. 31743 to purchase from W. F. Ham his certificate of public convenience and necessity and the water system then serving the adjoining Bijou Pines area.

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

The Commission has considered the above-entitled application and is of the opinion, and so finds, that a public hearing is not necessary, that the proposed transfer will not be adverse to the public interest, and 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 applicant 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. That Frank Globin, a public utility, after the effective date hereof and on or before July 31, 1955, may sell and transfer to Tahoe Southside Water Utility, a corporation, all of his water utility properties hereinabove referred to, said transfer to be made substantially in accordance with the proposed forms of grant deed and bill of sale, and letter agreement attached to the application as Exhibits C and D, respectively.
2. That Tahoe Southside Water Utility, a corporation, may issue not exceeding 5,000 shares of capital stock without par value, in exchange for the utility properties and operating rights of Frank Globin, a public utility, referred to herein.
3. That Tahoe Southside Water Utility, a corporation, is authorized to assume the debts and liabilities of Frank Globin, a public utility, including two promissory notes on which the unpaid balances are \$20,000 and \$14,516.42, respectively, plus accrued interest, the latter note being secured by a deed of trust on certain of the properties of the water system, and consumers' advances for construction which, as of September 15, 1954, amounted to \$18,373.75.
4. That on or before the date of actual transfer, Frank Globin, a public utility, shall refund all deposits which consumers are entitled to have refunded; and that any unrefunded deposits shall be transferred to and become the obligation for refund of Tahoe Southside Water Utility, a corporation.
5. That the rates and rules of Frank Globin, a public utility, now on file with this Commission, shall be refiled within thirty days from the date of actual transfer under the name of Tahoe Southside Water Utility, a corporation, in accordance with the procedure prescribed by General Order No. 96, or

in lieu of such refiling applicant corporation may file a notice of adoption of said presently filed rates and rules. No increase in the presently filed rates and rules shall be made unless otherwise properly authorized by this Commission.

- 6. That on or before the date of actual transfer, Frank Globin, a public utility, shall transfer and deliver to Tahoe Southside Water Utility, a corporation, and the latter shall receive and preserve all records, memoranda and papers pertaining to the construction and operation of the Frank Globin water utility.
- 7. That, if the authority herein granted is exercised, Frank Globin, a public utility, shall, within thirty days thereafter, notify this Commission in writing of the date of such completion of the property transfer herein authorized and file a certified copy of both the grant deed and bill of sale, and the letter agreement as finally executed.
- 8. That upon due compliance with all of the conditions of this order, said Frank Globin, a public utility, shall stand relieved of all further utility obligations and liabilities in connection with the operations of the public utility water system herein authorized to be transferred.

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

Dated at San Francisco, California, this 18th day of January, 1955.

Robert L. Mitchell
President

Justin J. Calmes

Paulo Lutjens

Marshall D. Cook

Commissioners