

Decision No. 51221

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
R. L. Gilliam to Transfer Certificate)
of Convenience and Necessity from)
R. L. Gilliam, doing business as Avila)
Water Co. to Avila Water Co., Inc. and)
for authority to issue stock.)
-----)

Application
No. 36754

OPINION AND ORDER

This is an application for an order of the Commission authorizing R. L. Gilliam to transfer public utility water properties to Avila Water Co., Inc., a corporation, and authorizing said corporation to issue 200 shares of its common stock of the aggregate par value of \$20,000.

Applicant Gilliam has been engaged in operating a public utility water system at Avila, San Luis Obispo County. He asserts that now he desires to incorporate his holdings in order to provide for a continuity of management and to avoid personal liability and that he proposes to transfer his properties and operations to Avila Water Co., Inc., a corporation he has organized. He intends to turn over to said corporation his properties and assets in exchange for 200 shares of stock of the par value of \$100 each.

In exhibits attached to the application, applicant Gilliam reports his operating revenues for the year 1954 in the amount of \$10,497 and his net profit in the amount of \$790. He sets forth his investment in his facilities at \$34,849.

It appears that the transfer of the properties will result in no change in the rates or service. From a review of this

application we are of the opinion, and so find, that the proposed transfer will not be adverse to the public interest, 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 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. R. L. Gilliam may transfer to Avila Water Co., Inc., a corporation, the public utility water properties referred to in this application under the terms and conditions set forth therein.
2. Avila Water Co., Inc., a corporation, may issue not exceeding 200 shares of its common stock, of the aggregate par value of \$20,000, in payment for said water properties.
3. On or before the date of actual transfer, R. L. Gilliam 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 Avila Water Co., Inc., a corporation.
4. The rates, rules and regulations of R. L. Gilliam now on file with the Commission shall be refiled within 30 days after the date of transfer under the name of Avila Water Co., Inc., a corporation, in accordance with the procedure prescribed by General Order No. 96, or, in lieu of such refiling, Avila Water Co., Inc., 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.

5. If the authority herein granted is exercised, Avila Water Co., Inc., a corporation, within 30 days thereafter, shall notify the Commission in writing of the date of the completion of the transaction, and shall file a certified copy of the grant deed and bill of sale as executed.

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

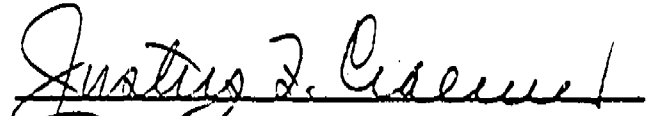
7. Avila Water Co., Inc., a corporation, shall file with the Commission a report, or reports, as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

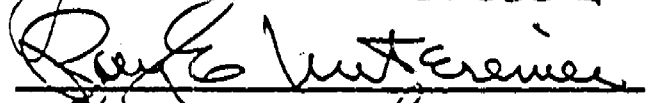
8. The authority herein granted will become effective 20 days after the date hereof.

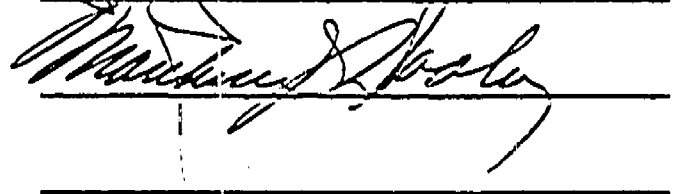
Dated at Los Angeles, California, this 21st day of March, 1955.



(President)







Commissioners