

ORIGINAL

Decision No. 57005

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the application of
CLARENCE F. IVES to sell, and for
CHANDLER ROOFING, INC., a California
Corporation, to purchase the System
and business of INYOKERN WATER
SERVICE, a public utility.

Application No. 39220
First Amendment
Second Amendment

O P I N I O N

This is an application for an order (1) authorizing Clarence F. Ives to transfer a public utility water system to Inyokern Water Service, a corporation, and (2) authorizing Inyokern Water Service to issue 1,500 shares of its capital stock of the par value of \$10 each.

It appears that Clarence F. Ives, doing business as Inyokern Water Service, is engaged in operating a public utility water system in Inyokern, Kern County, serving approximately 140 customers at the end of 1957. In his annual report to the Commission for 1957 he reported operating revenues of \$10,576 and net income of \$4,769, before allowance for proprietor's withdrawals or taxes on income. He reported his investment in utility plant, materials and supplies at \$13,775 with outstanding liabilities consisting of only \$157 of customers' deposits.

The application shows that Clarence F. Ives now desires to transfer his properties and operations to a new corporation which has been formed for the express purpose of taking over such

properties and business and of continuing the public utility operations. The new corporation will assume the outstanding liabilities and proposes to issue 1,500 shares of its common stock in acquiring the plant, property, franchises, easements and personal property of said Ives, including cash and accounts receivable of the utility.

Upon reviewing the application we are of the opinion that the proposed transfer will not be adverse to the public interest, that the money, property or labor to be procured or paid for by the issue of the shares of stock is reasonably required for the purpose specified herein, that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income and that the application should be granted. Accordingly, we will enter our order in this proceeding.

The authorization herein granted is for the purpose of this proceeding only and is not to be construed as indicative of amounts to be included in a future rate base for the determination of just and reasonable rates.

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, therefore,

IT IS HEREBY ORDERED as follows:

1. Clarence F. Ives, on and after the effective date hereof and on or before December 31, 1958, may transfer his public utility water system to Inyokern Water Service, a corporation, and Inyokern

Water Service may assume the payment of outstanding indebtedness and may issue not exceeding 1,500 shares of its common stock for the purpose set forth in this application as amended.

2. The rates, rules and regulations of Clarence F. Ives now on file with the Commission shall be refiled within 30 days after the date of transfer under the name of Inyokern Water Service, a corporation, in accordance with the procedure prescribed by General Order No. 96, or in lieu of said refiling Inyokern Water Service, 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.

3. On or before the date of actual transfer, Clarence F. Ives shall refund all customers' deposits and advances for construction which are subject to refund. Any such unrefunded deposits and advances shall be transferred to and shall become the obligation for refund of Inyokern Water Service, a corporation.

4. On or before the date of actual transfer, Clarence F. Ives shall transfer and deliver to Inyokern Water Service, a corporation, and the latter shall receive and preserve all records, memoranda and papers pertaining to the construction and operation of the public utility water system herein authorized to be transferred.

5. If the authority herein granted is exercised, Clarence F. Ives within 30 days thereafter shall notify the Commission in writing of the date of completion of the transfer.

6. Upon compliance with the terms of this order, Clarence F. Ives shall stand relieved of all future public utility obligations in connection with the operation of the water system herein authorized to be transferred.

7. Inyokern Water Service, 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 authorization herein granted will become effective twenty days after the date hereof.

Dated at San Francisco, California, this 2nd day of July, 1958.

E. L. Fox
President
Paul E. Mitchell
Paul W. Winters
Theodore Jensen
Commissioners