

Decision No. 58847**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 CHENOWETHS, INC., a California corpo-
 ration, LESLIE C. CHENOWETH, WILLIAM
 C. CHENOWETH, CLAIRE A. CHENOWETH,
 and CAMP MEEKER WATER SYSTEM, INC.,
 a California corporation, for an order
 authorizing the transfer of assets,
 business, and operating rights, and
 for an order authorizing CAMP MEEKER
 WATER SYSTEM, INC., to issue securities.)

Application No. 41313

OPINION AND ORDER

By this application, filed July 16, 1959, Leslie C. Chenoweth, William C. Chenoweth and Claire A. Chenoweth,^{1/} doing business as Camp Meeker Water System, seek authorization to transfer their public utility water system to Camp Meeker Water System, Inc.,^{2/} a corporation, which joins in the application. In addition, Purchaser seeks authority to issue 1,000 shares of common stock to Chenoweths, Inc., a corporation which also joins in the application, upon the condition that Sellers and Chenoweths, Inc., transfer all of their interest in said water system to Purchaser.

The subject utility serves the unincorporated area known as Camp Meeker, located approximately five miles south of the community of Monte Rio, Sonoma County. Commission records indicate that approximately 300 customers were served as of December 31, 1958.

According to Commission records, operations of the subject water system were begun about 1900 by M. C. Meeker for the purpose of supplying water to residents of Camp Meeker subdivision. Since operations commenced prior to 1912, no certificate of public convenience and necessity has been sought of nor issued by this

^{1/} Sometimes herein called "Sellers."

^{2/} Sometimes herein called "Purchaser."

Commission. Operations continued under the control of one or more members of the Meeker family until the transfer of a 43/51st interest in the system to Hardin T. Chenoweth, William C. Chenoweth, and L. C. Chenoweth, as authorized by Decision No. 46373, dated November 6, 1951, in Application No. 32820. An instrument entitled "Decree of Distribution to Sole Distributee," dated March 13, 1959, and filed with this Commission on July 23, 1959, indicates that the entire estate of Hardin T. Chenoweth was thereby distributed to Claire A. Chenoweth. Authorization for this distribution, in so far as it affected this water system, has not heretofore been sought of the Commission. The transfer of utility property intended by this distribution will be authorized in the order which follows.

It appears from the application that Chenoweths, Inc., a corporation, is one of the proposed transferors, although the extent of the interest of each transferor in the public utility is not apparent. To the extent that each transferor owns any interest in the properties to be transferred, the transfer of such interest will be authorized by the order which follows.

Applicants state that required improvements in the water system have necessitated its operation as a separate and distinct enterprise, the ownership of whose stock is to remain in the Chenoweth family. The articles of incorporation of Purchaser are attached to the application. Purchaser's officers and directors, as listed in the application, comprise William C. Chenoweth, Claire A. Chenoweth, Ann Chenoweth, Jewel Chenoweth and Leslie C. Chenoweth.

The application states that the proposed transfer will be in the public interest and will better insure the continuity and efficiency of the operations of the water system.

The utility's annual report to the Commission for the year ended December 31, 1958 shows, as of that date, utility plant in

the amount of \$34,326.28 and depreciation reserve in the amount of \$8,925.91, indicating net utility plant of \$25,400.37.

The order which follows will authorize and direct Purchaser to file an up-to-date set of rules and regulations. Any increase in charges or more restrictive conditions which may result therefrom are hereby found to be justified.

Applicants' attorney, by letter dated July 22, 1959, alleges that a prompt transfer of the water system is imperative in view of the limited supply of water currently available, so that sufficient investments may be made to improve the water system. For this reason, the authority granted herein shall become effective on the date hereof.

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

The Commission having considered the above-entitled application and being of the opinion that the proposed transfer will not be adverse to the public interest, that a public hearing is not necessary, that the money, property, or labor to be procured or paid for by the issuance of the stock hereinafter authorized is reasonably required by Purchaser for the purpose specified herein, and that such purpose is not, in whole or in part, reasonably chargeable to operating expense or to income, and that the application should be granted; therefore,

IT IS HEREBY ORDERED that:

1. The transfer of Hardin T. Chenoweth's interest in the public utility water system known as Camp Meeker Water System to Claire A. Chenoweth is hereby authorized.
2. On or after the effective date hereof and on or before January 31, 1960, Leslie C. Chenoweth, William C. Chenoweth and Claire

A. Chenoweth, and Chenoweths, Inc., may transfer their interest in the public utility water system known as Camp Meeker Water System to Camp Meeker Water System, Inc., in accordance with the terms and conditions set forth in the application herein.

3. The tariff schedules of Leslie C. Chenoweth, William C. Chenoweth and Claire A. Chenoweth, presently on file under the name of Camp Meeker Water System, shall be re-filed within thirty days from the date of actual transfer under the name of Camp Meeker Water System, Inc., in accordance with the procedure prescribed by General Order No. 96, excepting that an up-to-date set of rules and regulations, acceptable to this Commission, shall be substituted for the rules and regulations presently on file. Said tariff schedules shall become effective upon five days' notice to the Commission and to the public after filing as hereinabove provided. No increases in the presently filed rates and charges shall be made unless otherwise properly authorized by this Commission.

4. On or before the date of actual transfer, Leslie C. Chenoweth, William C. Chenoweth and Claire A. Chenoweth shall refund all customers' deposits and advances for construction, if any, which are subject to refund. Any such unrefunded deposits and advances shall be transferred to and become the obligation for refund of Camp Meeker Water System, Inc.

5. On or before the date of the actual transfer of the physical properties herein authorized, Leslie C. Chenoweth, William C. Chenoweth and Claire A. Chenoweth shall transfer and deliver to Camp Meeker Water System, Inc., and the latter shall receive and preserve, all records, memoranda and papers pertaining to the construction and operation of the water system herein authorized to be transferred.

6. If the authority herein granted is exercised, Leslie C. Chenoweth, William C. Chenoweth and Claire A. Chenoweth, and Chenoweths, Inc., shall, within thirty days thereafter, file with this Commission a certified copy of each deed or other instrument of conveyance as executed to effect the transfer of property hereinabove authorized.

7. If the authority herein granted is exercised, Leslie C. Chenoweth, William C. Chenoweth and Claire A. Chenoweth shall, within thirty days thereafter, notify this Commission in writing of the date of completion of the property transfer herein authorized and of their compliance with the conditions hereof.

8. Upon due compliance with all of the conditions of this order, Leslie C. Chenoweth, William C. Chenoweth and Claire A. Chenoweth shall stand relieved of all further public utility obligations and liabilities in connection with the operation of the public utility water system known as Camp Meeker Water System.

9. Camp Meeker Water System, Inc., may issue not to exceed 1,000 shares of its common capital stock of the par value of \$10 per share, a total par value of \$10,000, to Chenoweths, Inc., for the purpose of acquiring the public utility properties referred to in the foregoing opinion.

10. Camp Meeker Water System, Inc., shall file with this Commission monthly reports as required by General Order No. 24-A,

which order, in so far as applicable, is hereby made a part of this order.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 4th
day of August, 1959.

Ernest A. Dwyer
President
William H. Hall
E. J. Fox
Theodore J. Jenner
Commissioners