

ORIGINAL

Decision No. 59049

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application

of

RICHARD W. PORTER and EVA V. PORTER, his wife, for consent to transfer Certificate of Convenience and Necessity granted by Decision No. 58247 in Application No. 40732 to HILLCREST WATER CO., INC., and for authority to issue stock and note to capitalize the acquisition of such certificate and works by Hillcrest Water Co., Inc.

Application No. 41425

O P I N I O N

This is an application for an order of the Commission (1) authorizing Richard W. Porter and Eva V. Porter, his wife, to sell and transfer to Hillcrest Water Co., Inc., their certificate of public convenience and necessity and related water system known as Hillcrest Water Company, and (2) authorizing Hillcrest Water Co., Inc., to issue \$10,000 par value of capital stock and a \$15,195 note in exchange for such certificate and water system.

By Decision No. 58247, dated April 7, 1959, in Application No. 40732, the Commission granted to Richard W. Porter and Eva V. Porter, his wife, doing business as Hillcrest Water Company, a certificate of public convenience and necessity to construct and operate a public utility system for the distribution and sale of water within Hillcrest Manor Subdivision near Yuba City in Sutter County. It appears that the Porters commenced providing public utility service as of August 1, 1959.

The application shows that the Porters now desire to conduct their water operations by a corporate form of organization, that they have organized Hillcrest Water Co., Inc., and that they propose to transfer their water facilities to it in exchange for \$10,000 par value of stock and a 4% note in the principal amount of \$15,195, payable on or before ten years after date, or a total of \$25,195 which is said to represent the cost of water plant properties, together with legal fees.

An examination of available records was made by a staff accountant which indicates a total cost of \$23,500, the decrease of \$1,695 being attributable primarily to the elimination of substantially that amount which originally had been estimated for a pump house, tank cover, and fence which will not be constructed by, or transferred to, the new corporation.

Upon the basis of the information before us, we find and conclude that the proposed transfer will not be adverse to the public interest; that the stock and note issues should be limited to \$23,500, instead of \$25,195, and should be represented by \$10,000 par value of stock and a 4% note in the principal amount of \$13,500; that the money, property or labor to be procured or paid for through the issue of such stock and note is reasonably required for the purpose specified herein; and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income.

The authorization herein granted shall not be construed to be a finding of the value of the properties herein authorized to be transferred nor as indicative of amounts to be included in a future rate base for the purpose of determining 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. Richard W. Porter and Eva V. Porter, his wife, may sell and transfer to Hillcrest Water Co., Inc., the certificate of public convenience and necessity granted to them by Decision No. 58247, dated April 7, 1959, together with their public utility water system properties.

2. Hillcrest Water Co., Inc., on and after the effective date hereof and on or before December 31, 1959, may issue \$10,000 par value of its capital stock and a 4% note in the principal amount of not to exceed \$13,500 in exchange for the certificate of public convenience and necessity and water system properties of Richard W. Porter and Eva V. Porter, his wife, which note, except as to principal amount, shall be in, or substantially in, the same form as that attached to the application as Exhibit C.

3. This application, insofar as it requests authority to issue a note in the principal amount of \$1,695 in excess of that herein authorized, is denied.

4. The rates and rules of Richard W. Porter and Eva V. Porter, doing business as Hillcrest Water Company, now on file with this Commission, shall be refiled within thirty days after the date of actual transfer under the name of Hillcrest Water Co., Inc., in accordance with the procedure prescribed in General Order No. 96, or in lieu of such refiling Hillcrest Water Co., Inc., may file a notice of adoption of said presently filed rates and rules. No increases in the presently filed rates shall be made unless authorized by this Commission.

5. On or before the date of actual transfer, Richard W. Porter and Eva V. Porter, his wife, 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 Hillcrest Water Co., Inc.

6. On or before the date of actual transfer of the physical properties herein authorized, Richard W. Porter and Eva V. Porter, his wife, shall transfer and deliver to Hillcrest Water Co., 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.

7. If the authority herein granted is exercised, Richard W. Porter and Eva V. Porter, his wife, within thirty days thereafter, shall 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 and shall 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, Richard W. Porter and Eva V. Porter, his wife, shall stand relieved of all further public utility obligations and liabilities in connection with the operation of the public utility water system known as Hillcrest Water Company.

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

10. The authority herein granted will become effective when Hillcrest Water Co., Inc., has paid the minimum fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$25.

Dated at San Francisco, California,
this 29th day of September, 1959.

Everett R. L. [Signature]
President
[Signature]
[Signature]
[Signature]

Commissioners

