

ORIGINAL

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Decision No. _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of

CAMPTON HEIGHTS WATER SERVICE,
a California corporation,

for a permit to issue stock and to
acquire all of the assets and
assume all of the liabilities of
THELMA B. WOOD, doing business as
CAMPTON HEIGHTS WATER SERVICE, an
individually owned water company.

Application No. 44754
Filed September 4, 1962

O P I N I O N

In this application, Thelma B. Wood, doing business as Campton Heights Water Service, reports that she desires to conduct her operations under a corporate form of organization and that she desires, and here seeks authorization, to transfer all the assets and liabilities of said Campton Heights Water Service to a new corporation, also named Campton Heights Water Service, in exchange for 10,000 shares of no par value common stock at a stated value equal to the total capital on the date the transfer is consummated.

In Exhibit B, annexed to the application, Thelma B. Wood, as of December 31, 1961, reports her net investment in utility plant and in current assets at \$114,664, her outstanding liabilities at \$22,582 and total capital, that is, net worth, at \$92,082, consisting of proprietary capital of \$87,771 and contributions in aid of construction of \$4,311.

We have considered this application and find that the transfer of the Campton Heights Water Service to a corporation, as herein proposed, will not be adverse to the public interest, that the issue of the 10,000 shares of common stock should be approved but that the contributions in aid of construction should be excluded from the stated capital and that the new corporation should carry into its books of account, as contributions in aid of construction, the amounts appearing on the books of Thelma B. Wood as such contributions as of the date of consummation of the transfer.

The authorization herein granted to transfer properties and to issue stock is not to be construed as a finding of the value of the water system nor 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 has determined that a public hearing is not necessary in the above-entitled matter and is of the opinion that the money, property or labor to be procured or paid for through the issue of the stock herein authorized 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; therefore,

IT IS ORDERED that -

1. Thelma B. Wood, on or after the effective date hereof and on or before February 28, 1963, may sell and transfer the operative rights and properties comprising the Campton Heights Water Service to Campton Heights Water Service, a corporation.

2. Campton Heights Water Service, a corporation, in part payment for said rights and properties, may assume the payment of outstanding liabilities of Thelma B. Wood, as set forth in this application, and may issue not to exceed 10,000 shares of its no par value common stock at a stated value equal to the total capital (net worth) of Thelma B. Wood as of the date the transfer is consummated as reflected by her books of account, excluding from such total capital the amounts carried on her books by Thelma B. Wood as contributions in aid of construction.

3. Campton Heights Water Service, a corporation, upon acquiring said operative rights and properties, shall establish books of account in conformity with the Uniform System of Accounts prescribed for Class D Water Utilities and shall transfer to its books of account the book balances of the transferor relating to the utility plant, depreciation reserve, advances and contributions in aid of construction. Within sixty days after such acquisition, Campton Heights Water Service, a corporation, shall submit to the Commission copies of the journal entries to record the acquisition.

4. On or before the date of actual transfer -
 - a. Seller shall refund all deposits, if any, which customers are entitled to have refunded. Any unrefunded deposits shall be transferred to, and shall become the obligation for refund of, Campton Heights Water Service, a corporation.
 - b. Seller shall transfer to purchaser all advances for construction, if any, held by her, and, further, the seller and the purchaser, within fifteen days after the date of transfer, shall jointly file with this Commission a certified copy of an appropriate instrument showing the names and addresses of all persons or corporations in whose favor such obligations exist and the amounts thereof.
 - c. Seller shall transfer and deliver to the purchaser all records, memoranda and papers pertaining to the construction and operation of the properties herein authorized to be transferred and purchaser shall receive and preserve the same.

5. The rates and tariff service area map of Thelma B. Wood, doing business as Campton Heights Water Service, now on file with this Commission shall be refiled within thirty days after the date of actual transfer under the name of the purchaser, in accordance with the procedure prescribed by General Order No. 96-A, or, in lieu of such refiling, the purchaser may file a notice of adoption of said presently filed rates and tariff service area map. No increases in the presently filed rates shall be made unless properly authorized by this Commission.

6. Campton Heights Water Service, a corporation, within thirty days after the date of actual transfer shall file in quadruplicate with this Commission, in conformity with the provisions of General Order No. 96-A, and in a manner acceptable to this Commission, rules governing customer relations revised to reflect present-day operating practices and sample copies of printed forms that are normally used in connection with customers' services. Such rules and forms shall become effective upon five days' notice to the Commission and to the public after filing as hereinabove provided.

7. If the authority herein granted is exercised, Campton Heights Water Service, a corporation, shall determine the accruals for depreciation by dividing the original cost of utility plant, less estimated future net salvage less depreciation reserve, by the estimated remaining life of the plant. It shall review the accruals as of January 1 of the year following the date of actual transfer and thereafter when major changes in depreciable utility plant composition occur and at intervals of not more than five years. Results of these reviews shall be submitted to this Commission.

8. If the authority herein granted is exercised, Thelma B. Wood, doing business as Campton Heights Water Service, within thirty days thereafter, shall notify this

Commission, in writing, of the date of such completion of the property transfer herein authorized and of her compliance with the conditions hereof.

9. Upon compliance with all of the conditions of this order, Thelma B. Wood, doing business as Campton Heights Water Service, shall stand relieved of all further public utility obligations in connection with the operation of the public utility water system herein authorized to be transferred.

10. Campton Heights Water Service, a corporation, shall file with the Commission a report, or reports, of the issue of said shares of stock as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

11. The authority herein granted shall become effective twenty days after the date hereof.

Dated at San Francisco, California, this 7th day of OCTOBER, 1962.

George B. Thayer
President

Arthur E. Mitchell

[Signature]

[Signature]

Fredrick G. Holbrook
Commissioners