

ORIGINAL

Decision No. 66179

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
DUNCAN S. DAVIS, ROBERT M. DAVIS and )  
CAROL DAVIS JOHNSON, STUART L. )  
RAWLINGS, JR., and HELEN H. SINCLAIR, )  
MOUNTAIN SPRINGS WATER COMPANY, a )  
partnership, and of AGATE BAY WATER )  
COMPANY, a corporation, )

Application No. 45754  
(Filed September 11, 1963)

For Authority to Sell and Transfer )  
a Water System, for Authority to )  
Issue Stock and for Other Relief. )

O P I N I O N

Duncan S. Davis, Robert M. Davis and Carol Davis Johnson,  
children of Duncan H. Davis, deceased, request authorization for:

- (a) The prior acquisition by them by descent or purchase, of the interests of their father and of Stuart L. Rawlings, Jr., and Helen H. Sinclair in Mountain Springs Water Company, a partnership, which operates a certificated public utility water system at Agate Bay, Lake Tahoe, California (Decision No. 40669, August 26, 1947, Application No. 28500; Decision No. 49828, March 23, 1954, Application No. 34953).
- (b) The transfer by Duncan S. Davis, Robert M. Davis and Carol Davis Johnson, to be effective as of January 1, 1964, of the operating rights and properties of the water system to Agate Bay Water Company, a corporation which they have caused to be formed and which joins in the application, in exchange for 1710 shares of its \$25 par value common stock.

The nature and derivation of the various partnership interests are described in the application, which also makes reference to the utility's Annual Report as of December 31, 1962, for a detailed description of the properties proposed to be transferred to the corporation.

We find that:

1. The transfers by which Duncan S. Davis, Robert M. Davis and Carol Davis Johnson have acquired their respective interests in Mountain Springs Water Company, a partnership, and the proposed transfer by said individuals to Agate Bay Water Company, a corporation, are not adverse to the public interest.

2. The money, property or labor to be procured or paid for by the issue of the stock herein authorized is reasonably required for the purposes specified herein, and such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income.

In issuing our order herein, we place applicant Agate Bay Water Company and its shareholders on notice that we do not regard the number of shares outstanding, the total par value of the shares nor the dividends paid as measuring the return said corporation should be allowed to earn on its investment in plant and that the approval herein given is not to be construed as a finding of value of said applicant's stock or properties, or of the rights and properties herein authorized to be transferred, nor as indicative of the amounts to be included in a future rate base for the determination of just and reasonable rates.

A public hearing is not necessary.

O R D E R

IT IS ORDERED that:

1. The transfers pursuant to which Duncan S. Davis, Robert M. Davis and Carol Davis Johnson have heretofore acquired, by descent or purchase, their respective interests in Mountain Springs Water Company, a partnership, are hereby authorized.

2. On or after the effective date hereof and on or before March 31, 1964, Duncan S. Davis, Robert M. Davis and Carol Davis Johnson may sell and transfer, and Agate Bay Water Company, a corporation, may purchase and acquire all of the right, title and interest of sellers in and to the operating right and properties referred to in the application herein.

3. Agate Bay Water Company, a corporation, after the effective date of this order and on or before March 31, 1964, may issue and sell not to exceed 1710 shares, of an aggregate par value of \$42,750, of its common stock for the purposes specified in the foregoing opinion.

4. Agate Bay Water Company, 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.

5. On or before the date of actual transfer of the operating right and properties to Agate Bay Water Company authorized herein, Mountain Springs Water Company, a partnership, shall refund all customers' deposits and all refunds on advances for construction, if any, which are due and payable as of the date of transfer. Any unrefunded deposits and advances shall become the obligation of Agate Bay Water Company, a corporation.

6. On or before the date of actual transfer, Mountain Springs Water Company, a partnership, shall transfer and deliver to Agate Bay Water Company, a corporation, and the latter shall receive and preserve all records, memoranda and papers pertaining to the construction and operation of the properties herein authorized to be transferred to said corporation.

7. Within thirty days after consummation of the transfer to Agate Bay Water Company authorized herein, said corporation shall

notify the Commission, in writing, of that fact and within said period shall file with the Commission a true copy of any bill of sale or other instrument of transfer which may be executed to effect said transfer.

8. Agate Bay Water Company, a corporation, within thirty days after the date of actual transfer, shall file an appropriate notice of adoption of the effective tariff schedules of Mountain Springs Water Company, said notice to be submitted in the form of an advice letter pursuant to the provisions of Section III of General Order No. 96-A.

9. Upon due compliance with all the conditions of this order, Mountain Springs Water Company, a partnership, Duncan S. Davis, Robert M. Davis, Carol Davis Johnson, Stuart L. Rawlings, Jr., and Helen H. Sinclair shall stand relieved of all further public utility obligations and liabilities in connection with the operation of the public utility water system herein authorized to be transferred.

The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 22nd day of OCTOBER, 1963.

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 President

*[Handwritten Signature]*

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*[Handwritten Signature]*

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 George L. Trover

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 Frederick B. Halaloff  
 Commissioners

Commissioner William M. Bennett, being necessarily absent, did not participate in the disposition of this proceeding.