

ORIGINAL

Decision No. 71017

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of JAMES E. SHOPE)
and EVA J. SHOPE, his wife,)
doing business as YERMO WATER)
COMPANY, for permission to)
purchase and acquire all the)
capital stock of HEL-BRO WATER)
CO., INC.)

Application No. 48579
Filed June 23, 1966

O P I N I O N

This is an application for an order of the Commission authorizing James E. Shope and Eva J. Shope, his wife, to purchase and acquire all of the outstanding capital stock of Hel-Bro Water Company, Inc.

Records on file with this Commission show that J. E. Shope owns and operates the public utility water system known as Yermo Water Company, which serves approximately 110 customers located in and near the community of Yermo, San Bernardino County. As of May 31, 1966, the utility's reported assets of \$31,322 were offset by proprietary capital and other liabilities in respective sums of \$29,926 and \$1,396.

Hel-Bro Water Company, Inc., a California corporation, conducts public utility water operations in the vicinity of Yermo. The application shows that further subdivision development in such company's service area is not economically feasible because of extensive and expensive flood control requirements and that, as a consequence, its water service is limited to 26 customers, which is the number now served.

Pursuant to authority granted by Decision No. 65089, dated March 19, 1963, in Application No. 44548, Hel-Bro Water Company, Inc. issued 1,400 shares of its no par value common stock at an aggregate stated value of \$14,000. In the present proceeding James E. Shope and Eva J. Shope seek authority to purchase for \$4,000 cash said shares, which constitute all of the company's outstanding capital stock. The purchasers' indicated net worth, as of May 31, 1966, was \$110,767.

The Commission has considered this matter and finds that: (1) James E. Shope and Eva J. Shope are financially able to acquire the common stock of Hel-Bro Water Company, Inc., and (2) the proposed stock acquisition will not be adverse to the public interest. A public hearing is not necessary.

On the basis of the foregoing findings we conclude that the application should be granted. The action taken herein shall not be construed as a finding of the value of the outstanding shares of capital stock of Hel-Bro Water Company, Inc. nor as indicative of amounts to be included in proceedings for the determination of just and reasonable rates.

ORDER

IT IS ORDERED that James E. Shope and Eva J. Shope, on or after the date hereof and on or before December 31, 1966, may purchase and acquire all of the outstanding capital stock of Hel-Bro Water Company, Inc. in the manner described in the application.

The effective date of this order is the date hereof.

Dated at San Francisco, California,
this 26th day of JULY, 1966.

[Signature]
President

[Signature]

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Commissioners