

ORIGINAL

Decision No. 71668

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of LORETTA M. POLLOCK,)
individually and as conservator)
of the Estate of George D.)
Pollock, and POLLOCK WATER)
SERVICE, INC., a corporation,)
for an order authorizing:)
(a) the issue and sale of 1,000)
shares of the common capital)
stock of POLLOCK WATER SERVICE,)
INC. in exchange for the)
transfer of the business and)
properties known as EAST)
MONTEREY WATER SERVICE to)
POLLOCK WATER SERVICE, INC., and)
(b) the transfer of the)
Certificate of Public Convenience)
and Necessity of the EAST)
MONTEREY WATER SERVICE to)
POLLOCK WATER SERVICE, INC.)

Application No. 48895
Filed October 26, 1966

O P I N I O N

This is an application for an order of the Commission authorizing Loretta M. Pollock, individually and as conservator of the Estate of George D. Pollock, to transfer a certificate of public convenience and necessity, together with certain related assets and liabilities, to Pollock Water Service, Inc., and authorizing the latter to issue 1,000 shares of its \$10 par value capital stock.

Pursuant to authority granted by Decision No. 43549, dated November 22, 1949, in Application No. 30765, George D. Pollock acquired from K. Frank Henneken a certificate of public convenience and necessity, together with related

properties operated under the name of East Monterey Water Service. The water system serves a portion of the County of Monterey and is being operated presently by California-American Water Company, Lessee. The application shows that said lessee will continue to operate the water system following the proposed transfer.

In this proceeding Loretta M. Pollock, individually and as conservator of the Estate of George D. Pollock, requests authority to transfer said certificate, together with the utility business and certain related assets and liabilities, to Pollock Water Service, Inc., a California corporation organized on or about July 19, 1966. The latter proposes to issue 1,000 shares of its \$10 par value capital stock in exchange for said assets, subject to the liabilities.

The Commission has considered this matter and finds that: (1) the proposed sale and transfer will not be 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 purpose specified herein; and (3) such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income. On the basis of these findings we conclude that the application should be granted. A public hearing is not necessary.

In issuing our order herein, we place Pollock Water Service, Inc. 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 the corporation should be allowed to earn on its investment

in plant and that the authorization herein given is not to be construed as a finding of the value of its stock or properties nor as indicative of amounts to be included in proceedings for the determination of just and reasonable rates.

O R D E R

IT IS ORDERED that:

1. On or before March 31, 1967, Loretta M. Pollock, individually and as conservator of the Estate of George D. Pollock, may sell and transfer, and Pollock Water Service, Inc., may purchase and acquire, the public utility water properties and related assets referred to in this proceeding. Said sale and transfer may be made effective as of December 31, 1965 for accounting purposes.
2. Pollock Water Service, Inc., on or before March 31, 1967, in acquiring said assets, may assume the liabilities referred to in this proceeding and may issue not to exceed 1,000 shares of its \$10 par value capital stock.
3. Pollock Water Service, Inc. shall file with the Commission a report, or reports, as required by General Order No. 24-B, which order, insofar as applicable, is hereby made a part of this order.
4. If the authority herein granted to transfer properties is exercised, Pollock Water Service, Inc., within thirty days thereafter, shall notify the Commission, in writing, of the date of completion of such transfer.

5. The effective date of this order is the date hereof.

Dated at San Francisco, California,
this 16th day of DECEMBER, 1966.

Edward E. Fitchell
President

George E. Grover

Frederick B. Hallock

Augustus

William B. Smith
Commissioners