

**ORIGINAL**

Decision No. 73499

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Allen Jayne and )  
Eleanor Jayne, DBA: LAKEVIEW )  
WATER COMPANY to transfer assets )  
to LAKEVIEW WATER COMPANY, a )  
California Corporation and to )  
ISSUE SECURITIES. )  
\_\_\_\_\_ )

Application No. 49828  
Filed November 29, 1967

O P I N I O N

This is an application for an order of the Commission authorizing Allen Jayne and Eleanor Jayne, doing business as Lakeview Water Company, to sell and transfer their public utility properties to Lakeview Water Company, a California corporation, and authorizing the latter to issue 29,050 shares of its \$1 par value common stock.

By Decision No. 69390, dated July 13, 1965, in Application No. 47316, Allen Jayne and Eleanor Jayne were granted a certificate of public convenience and necessity authorizing them to construct the public utility water system known as Lakeview Water Company. The water system is located at Lake Havasu in San Bernardino County. According to the balance sheet, attached to this application as Exhibit A, the utility plant at September 30, 1967 amounted to \$28,857, all of which was represented by owners' equity.

In this proceeding Allen Jayne and Eleanor Jayne request authority to sell and transfer their public utility properties to Lakeview Water Company, a California corporation organized on or about March 1, 1965. The corporation proposes to acquire said assets in exchange for \$28,850 aggregate par value of its capital stock. In addition, the corporation proposes to issue and sell 200 shares of its \$1 par value common stock, at par for cash, for the purpose of providing working capital.

The Commission has considered this matter and finds that: (1) the proposed 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 purposes specified herein; and (3) such purposes are 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 Lakeview 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 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, 1968, Allen Jayne and Eleanor Jayne, doing business as Lakeview Water Company, may sell and transfer, and Lakeview Water Company, a corporation, may purchase and acquire, the public utility water properties referred to in the application.
2. Lakeview Water Company, a corporation, in acquiring said assets, may issue not exceeding 28,850 shares of its \$1 par value common stock, and may issue and sell not exceeding an additional 200 shares of said common stock, at par for cash, for the purpose of obtaining working capital.
3. Lakeview Water Company, a corporation, 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. On or before the date of actual transfer -
  - a. Sellers shall refund all customers' deposits and all advances for construction, if any, which are due to be refunded at the date of transfer. Any unrefunded deposits and advances shall be transferred to and shall become the obligation for refund of Lakeview Water Company, a corporation.

- b. Sellers shall transfer and deliver to 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. If the authority herein granted to transfer properties is exercised, Lakeview Water Company, a corporation, within thirty days thereafter, shall notify the Commission, in writing, of the date of completion of such transfer.

6. After the date of this order, and not less than five days before the date of actual transfer, Lakeview Water Company, a corporation, shall file with the Commission a notice of adoption of the presently filed rates and rules of the water system known as Lakeview Water Company in accordance with the procedure prescribed by General Order No. 96-A. The effective date of the notice of adoption shall be concurrent with the date of actual transfer. No increases in presently filed rates shall be made unless authorized by this Commission.

7. On or before the end of the third month after the consummation of the transfer as herein authorized, Lakeview Water Company, a corporation, shall cause to be filed with the Commission, in such form as the Commission may prescribe, an annual report, or reports, related to the operations of the sellers for the period commencing with the first day of the year in which the transfer occurs to and including the effective date of the transfer.

8. Upon compliance with all of the conditions of this order, Allen Jayne and Eleanor Jayne, doing business as Lakeview Water Company, shall stand relieved of all further public utility obligations pertaining to the operations of the public utility water system herein authorized to be transferred.

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

Dated at San Francisco, California, this 19th day of DECEMBER, 1967.

*E. R. Mitchell*  
 President

*William M. Bennett*

*Augustus*

*William James J.*

*Paul P. Monahan*  
 Commissioners