

**ORIGINAL**

Decision No. 73958

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of William E. Gerber, )  
III, Virginia Gerber, Lorna G. )  
Vandermark and Nellie C. Gerber, )  
DBA: PONDEROSA WATER COMPANY to )  
transfer assets to PONDEROSA )  
WATER COMPANY, a California )  
corporation and for the latter )  
to issue securities. )

Application No. 50097  
Filed March 20, 1968

O P I N I O N

This is an application for an order of the Commission authorizing William E. Gerber III, Virginia Gerber, Lorna G. Vandermark and Nellie C. Gerber, doing business as Ponderosa Water Company, to sell and transfer their public utility properties and related assets to Ponderosa Water Company, a California corporation, and authorizing the latter to issue 390 shares of its \$100 par value common stock.

By Decision No. 64538, dated November 9, 1962, as modified, in Application No. 44555, the Commission granted a certificate of public convenience and necessity to William E. Gerber III, Virginia Gerber, Lorna G. Vandermark and Nellie C. Gerber authorizing them to construct and operate a public utility water system in a portion of Tuolumne County.

In the present proceeding the owners request authority to sell their public utility properties and related assets to Ponderosa Water Company, a California corporation organized on or about April 13, 1965. The corporation proposes to acquire

said assets, subject to existing liabilities, in exchange for \$39,000 aggregate par value of its capital stock.

According to the balance sheet, attached to the application as Exhibit A, the net worth of the business as of February 29, 1968 amounted to \$39,258.

After consideration the Commission finds that:

(1) the proposed transactions 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 Ponderosa 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 August 31, 1968, William E. Gerber III, Virginia Gerber, Lorna G. Vandermark and Nellie C. Gerber may sell and transfer, and Ponderosa Water Company, a corporation, may purchase and acquire, the public utility water properties and related assets referred to in the application.

2. Ponderosa Water Company, in acquiring said assets, may assume the related liabilities and may issue not exceeding 390 shares of its \$100 par value common stock.

3. Ponderosa Water Company 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 Ponderosa Water Company.

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, Ponderosa Water Company, 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, Ponderosa Water Company shall file with the Commission a notice of adoption of the presently filed rates and rules of the sellers 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, Ponderosa Water Company 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 current year to and including the effective date of the transfer.

8. Upon compliance with all of the conditions of this order, William E. Gerber III, Virginia Gerber, Lorna G. Vandermark and Nellie C. Gerber 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 9<sup>th</sup> day of APRIL, 1963.

Robert E. Mitchell  
President  
William L. Bennett  
Augusta  
William Lyness J.  
Steel B. Norriss  
Commissioners