

ORIGINAL

Decision No. 74254

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Joint )  
 Application of CARDOZA WATER )  
 COMPANY, INC., a California )  
 Corporation, and CARDOZA WATER )  
 COMPANY, a partnership, for an )  
 order authorizing (a) CARDOZA )  
 WATER COMPANY, a partnership )  
 composed of, MANUEL R. CARDOZA, )  
 FRANCES V. CARDOZA, and JOYCE )  
 THOMPSON, to transfer to CARDOZA )  
 WATER COMPANY, INC., a California )  
 Corporation, and for said )  
 corporation to acquire in exchange )  
 for its stock the water system )  
 owned and operated by CARDOZA )  
 WATER COMPANY; (b) CARDOZA )  
 WATER COMPANY, INC., to issue its )  
 securities in exchange for said )  
 public utility water business. )

Application No. 50088  
 Filed March 13, 1968  
 and Amendment  
 Filed May 27, 1968

O P I N I O N

This is an application for an order of the Commission authorizing Frances V. Cardoza, Executrix of the Estate of M. V. X. Cardoza, deceased, Frances V. Cardoza, Manuel R. Cardoza, Salome Cardoza and Joyce Thompson, doing business as Cardoza Water Company, to sell and transfer public utility properties and related assets to Cardoza Water Company, Inc., and authorizing the latter to issue 1,200 shares of its common stock without par value.

By Decision No. 56148, dated January 21, 1958, in Application No. 39466, a certificate of public convenience and necessity to construct and operate the public utility water system known as Cardoza Water Company was granted to M. V. X. Cardoza, Frances V. Cardoza, Manuel R. Cardoza, Salome Cardoza and Joyce Cardoza (now Joyce Thompson).

The present application shows that service is provided to consumers located in and about certain territory adjoining the City of Tulare in Tulare County. According to the balance sheet, attached to the application as Exhibit B, the net worth of the business as of December 31, 1967 was \$29,645.27.

In this proceeding the owners request authority to sell their public utility properties and related assets to Cardoza Water Company, Inc., a California corporation organized on or about October 18, 1965. The corporation proposes to acquire said assets, subject to existing liabilities, in exchange for 1,200 shares of its no par value common stock having an aggregate stated value of \$30,000.

The Commission has considered this matter and 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, as amended, should be granted. A public hearing is not necessary.

In issuing our order herein we place Cardoza Water Company, Inc. and its shareholders on notice that we do not regard the number of shares outstanding, the total stated 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 September 30, 1968, Frances V. Cardoza, Executrix of the Estate of M. V. X. Cardoza, deceased, Frances V. Cardoza, Manuel R. Cardoza, Salome Cardoza and Joyce Thompson, doing business as Cardoza Water Company, may sell and transfer, and Cardoza Water Company, Inc. may purchase and acquire, the public utility water properties and related assets referred to in the application as amended.

2. Cardoza Water Company, Inc., in acquiring said assets, may assume the related liabilities and may issue not exceeding 1,200 shares of its no par value common stock having an aggregate stated value of \$30,000.

3. Cardoza Water Company, 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. 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 Cardoza Water Company, Inc.

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, Cardoza Water Company, Inc., 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, Cardoza Water Company, Inc. shall file with the Commission a notice of adoption of the presently filed rates and rules of the water system known as Cardoza 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, Cardoza Water Company, Inc. 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.

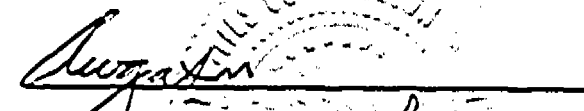
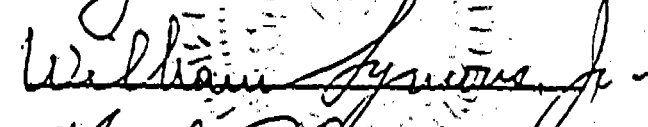
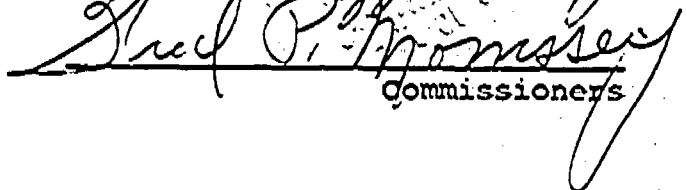
8. Upon compliance with all of the conditions of this order, Frances V. Cardoza, Executrix of the Estate of M. V. X. Cardoza, deceased, Frances V. Cardoza, Manuel R. Cardoza, Salome Cardoza and Joyce Thompson, doing business as Cardoza Water Company, shall stand relieved of all further public utility

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 18<sup>th</sup> day of JUNE, 1968.

  
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President

  
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Commissioners

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