

Decision No. 74898**ORIGINAL**

## BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 VILLAGE WATER COMPANY, a corporation, )  
 and ORBIS WATER COMPANY (formerly )  
 known as Lesser Water Company), a )  
 corporation, for an order authorizing: )  
 A. Orbis Water Company to sell and )  
 Village Water Company to buy the )  
 utility assets of Orbis Water Company; )  
 and B. Orbis Water Company to withdraw )  
 from the water utility business; and )  
 C. Village Water Company to engage in )  
 and carry on the water utility business )  
 of Orbis Water Company; and D. Village )  
 Water Company to assume specified )  
 obligations of Orbis Water Company. )

Application No. 50463  
 (Filed August 7, 1968)

O P I N I O N

By this application, Village Water Company, a corporation, (Village) and Orbis Water Company, a corporation, (Orbis) seek authority for:

- A. Orbis Water Company to sell and Village Water Company to buy the utility assets of Orbis Water Company;
- B. Orbis Water Company to withdraw from the water utility business;
- C. Village Water Company to engage in and carry on the water utility business of Orbis Water Company; and
- D. Village Water Company to assume specified obligations of Orbis Water Company.

Orbis is a public utility engaged in the business of rendering water service in and near the Newbury Park community of Ventura County, and its properties devoted to water service are

comprised of lands, reservoirs, wells, pumps, buildings, pipelines and all other appurtenant equipment necessary for the rendition of such service.

Village is a public utility engaged in the business of rendering water service in various areas of the County of Ventura. Village's properties devoted to service of water are comprised of lands, reservoirs, wells, pumps, buildings, pipelines and all other appurtenant equipment necessary for the rendition of such services.

The balance sheet attached as Exhibit B to the application shows that, as of May 31, 1968, Orbis had utility plant of \$1,133,200, a depreciation reserve of \$114,605, and refundable advances for construction of \$230,921.

The balance sheet attached as Exhibit C to the application shows that, as of June 30, 1968, Village had utility plant of \$5,213,882, a depreciation reserve of \$432,243, and refundable advances for construction of \$1,595,534.

As of the 29th day of July, 1968, Orbis and Village entered into a written contract wherein Orbis agreed to sell and Village agreed to purchase all except certain specified assets of Orbis, and Village agreed to assume and pay specified liabilities of Orbis, to assume the public utility service obligations of Orbis and thereafter to operate the water system of Orbis, but to do so in conjunction with the operation of other Village properties. A copy of said contract is attached to the application as Exhibit D. The properties involved in this transaction are described in said contract. The liabilities to be assumed are listed and detailed in Exhibit D.

Village agrees that subject to the authorization herein requested being granted it will assume concurrently with the transfer of title, all public utility obligations of Orbis within the latter's service area.

The proposed acquisition of the assets of Orbis by Village is believed by Orbis and Village to be in the best interests of the public and of said applicants for the following reasons:

1. Village has available technical and specialized management and operating personnel to assist in the management and operation of the business of Orbis.

2. Economies would result in the consolidation of the operation of the properties of Orbis and Village in several fields including operation, maintenance, management, accounting and financing.

3. A service area of Village is adjacent to the service area of Orbis and the benefits stated herein could be readily made available.

#### Finding and Conclusion

The Commission finds that the proposed sale and transfer would not be adverse to the public interest if purchaser presents a showing that it has the financial ability to acquire and operate the water system of seller.

The Commission concludes that the application should be granted as provided in the order which follows. The action taken herein does not constitute a finding as to the value of the properties authorized to be transferred. A public hearing is not necessary.

O R D E R

IT IS ORDERED that:

1. Within one year after the effective date of this order, Orbis Water Company (seller) may transfer to Village Water Company (purchaser) the water system referred to herein, substantially in accordance with the terms shown in Exhibit D attached to the application herein.
2. Within five days after consummation of the merger herein authorized, Village Water Company shall file with the Commission a notice of adoption of the presently filed tariff schedules of Orbis Water Company.
3. The tariff schedules of Orbis Water Company now on file with the Commission shall be refiled within thirty days after consummation of the transfer under the name of Village Water Company, in accordance with the requirements of General Order No. 96-A, except that Village Water Company may withdraw such rules and standard forms of Orbis Water Company as are substantially identical with those of Village Water Company and the withdrawal of which will not result in increases in rates or more restrictive conditions than the presently filed tariffs of Orbis Water Company.
4. On or before the date of actual transfer, Orbis Water Company shall deliver to Village Water Company all records, memoranda, and papers pertaining to the construction and operation of the properties authorized herein to be transferred.
5. Within ten days after the date of actual transfer, Village Water Company shall file written notification to this Commission of the date of transfer, and the date upon which it shall have assumed

operation of the water system authorized herein to be transferred. A true copy of the instrument of transfer shall be attached to the written notification.

6. On or before the end of the third month after the consummation of the transfer as herein authorized, Village 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 seller for the period commencing with the first day of the current year to and including the effective date of the transfer.

7. Village Water Company shall account for the acquisition of the properties herein authorized to be transferred in accordance with the requirements of Plant Instruction No. 4 of the Uniform System of Accounts for Water Utilities (Class A, Class B, and Class C) and within sixty days after the consummation of the transfer, file with the Commission a copy of each journal entry used to record the transfer on its books of account.

8. On or before the date of actual transfer, Orbis Water Company shall refund all deposits, if any, which customers are entitled to have refunded. Any unrefunded deposits shall be transferred to and shall become the obligation for refund of Village Water Company.

9. On or before the date of actual transfer, Orbis Water Company shall transfer all advances for construction held by it to Village Water Company and the latter shall assume the obligation for repayment of such advances. Applicants, within thirty days after the date of transfer, shall file jointly with this Commission

a certified copy of an appropriate instrument showing the names of all persons or corporations in whose favor such obligations exist and the amounts thereof.

10. Upon compliance with the conditions of this order, Orbis Water Company shall stand relieved of all of its public utility obligations in the areas served by the transferred system, and may discontinue service concurrently with the commencement of service by Village Water Company.

The effective date of this order shall be twenty days after receipt by the Commission of a satisfactory explanation of the method Village Water Company intends to utilize in financing the acquisition of Orbis Water Company.

Dated at San Francisco, California, this 6<sup>th</sup> day of NOVEMBER, 1968.

William J. Sponson, Jr.  
President  
Arthur E. Ditchell  
William C. Bennett  
Augusta  
Karl P. Monsey  
Commissioners