

Decision No. 79183

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Maurice M. and)
 Bernice F. Green doing business)
 as Pleasant Grove Water Co. to)
 transfer to "Pleasant Grove)
 Water Co.", a California)
 Corporation wholly owned by)
 transferors, the water system)
 in Tulare County.)

Application No. 52830
Filed August 30, 1971

O P I N I O N

Maurice M. Green and Bernice F. Green, doing business as Pleasant Grove Water Co., seek an order of the Commission authorizing them to transfer their certificate of public convenience and necessity and water system properties to Pleasant Grove Water Co., a corporation, and the latter seeks authority to issue 112 shares of its \$100 par value common stock.

Maurice M. Green and Bernice F. Green operate a public utility water system in Tulare County. For the year 1970 they report operating revenues and net income of \$4,946 and \$2,939, respectively.

Pleasant Grove Water Co. is a California corporation, incorporated on or about August 2, 1971. It proposes to acquire said certificate of public convenience and necessity and water system properties in exchange for 112 shares of its \$100 par

value common stock. The company's pro forma balance sheet at August 18, 1971, giving effect to the proposed transactions, is summarized from the application as follows:

<u>Assets</u>	
Current assets	\$ 100
Net fixed assets	<u>11,170</u>
Total	<u>\$11,270</u>
<u>Liabilities</u>	
Common stock	\$11,200
Paid-in capital	<u>70</u>
Total	<u>\$11,270</u>

After consideration the Commission finds that: (1) the proposed transactions would 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 Pleasant Grove Water Co., a corporation, 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 it should be allowed to earn on its investment in

plant, and that the authorization herein granted is not to be construed as a finding of the value of the company's 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. Maurice M. Green and Bernice F. Green may sell and transfer, and Pleasant Grove Water Co., a corporation, may purchase and acquire, the certificate of public convenience and necessity and water system properties referred to in the application.

2. On or after the effective date hereof and on or before December 31, 1971, Pleasant Grove Water Co., a corporation, in acquiring said certificate and water system properties may issue not exceeding 112 shares of its \$100 par value common stock.

3. Pleasant Grove Water Co., a corporation, shall file with the Commission a report as required by General Order No. 24-B, which order, insofar as applicable, is hereby made a part of this order.

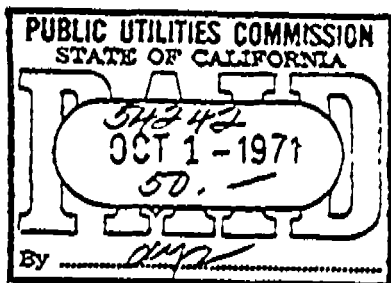
4. Within thirty days after the consummation of the transfer herein authorized, Pleasant Grove Water Co., a corporation, shall notify the Commission, in writing, of that fact and within said period shall file with the Commission a true copy of any bill of sale or other instrument of transfer which may be executed to effect said transfer.

5. After the effective date of this order, and not less than five days before the date of actual transfer, Pleasant Grove Water Co., a corporation, shall file with the Commission a notice of adoption of the presently filed rates and rules of the transferors 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.

6. Upon compliance with all of the conditions of this order, Maurice M. Green and Bernice F. Green shall stand relieved of all further public utility obligations pertaining to the operations of the public utility water system herein authorized to be transferred.

7. This order shall become effective when Pleasant Grove Water Co., a corporation, has paid the minimum fee prescribed by Section 1904.1 of the Public Utilities Code, which fee is \$50.

Dated at San Francisco, California,
this 27th day of SEPTEMBER, 1971.



William Sprouer, Jr. Chairman

Vernon L. Sturgeon

[Signature] Commissioners

Commissioner J. P. Vukasin, Jr., being necessarily absent, did not participate in the disposition of this proceeding.

- 4 Commissioner Thomas Moran, being necessarily absent, did not participate in the disposition of this proceeding.