

ORIGINAL

Decision No. 79759

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of OCEANSIDE WATER)	
COMPANY, INC., a Corporation, to)	
acquire all of the facilities)	Application No. 53006
and the business of OCEANSIDE)	Filed November 18, 1971
WATER COMPANY, a sole)	and Amendment
proprietorship, operating a)	Filed February 8, 1972
public utility furnishing water)	
in Humboldt County)	

O P I N I O N

James H. Werner and Ann Clair Werner, doing business as Oceanside Water Company, seek an order of the Commission authorizing them to transfer their water system properties to Oceanside Water Company, Inc., and the latter seeks authority to issue 12,432 shares of its \$1 par value capital stock.

James H. Werner and Ann Clair Werner operate a public utility water system serving Oceanside Subdivision and vicinity near McKinleyville in Humboldt County. At December 31, 1970, they report total assets of \$14,016, offset by contributions in aid of construction and proprietary capital in the respective amounts of \$1,584 and \$12,432.

Oceanside Water Company, Inc. is a California corporation incorporated on or about July 13, 1970. It proposes to acquire said water system properties in exchange for 12,432 shares of its \$1 par value capital stock.

After consideration the Commission finds that:

1. The proposed transfer would not be adverse to the public interest.
2. The proposed stock issue is for a proper purpose.

3. 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, which purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income.

On the basis of the foregoing findings we conclude that the application, as amended, should be granted. A public hearing is not necessary.

In issuing our order herein we place Oceanside Water Company, Inc. and its shareholder 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 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.

We hereby place Oceanside Water Company, Inc. and its shareholder on further notice that Section 854 of the Public Utilities Code, effective March 4, 1972, reads as follows:

"No person or corporation, whether or not organized under the laws of this state, shall, after the effective date of this section, acquire or control either directly or indirectly any public utility organized and doing business in this state without first securing authorization to do so from the commission. Any such acquisition or control without such prior authorization shall be void and of no effect. No public utility organized and doing business under the laws of this state shall aid or abet any violation of this section."

O R D E R

IT IS ORDERED that:

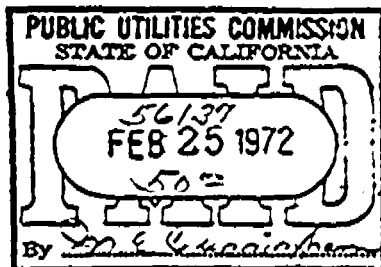
1. James H. Werner and Ann Clair Werner may sell and transfer, and Oceanside Water Company, Inc. may purchase and acquire, the water system properties referred to in the application, as amended.
2. On or after the effective date hereof and on or before June 30, 1972, Oceanside Water Company, Inc., in acquiring said water system properties, may issue not exceeding 12,432 shares of its \$1 par value capital stock to James H. Werner.
3. Oceanside Water Company, Inc. shall file with the Commission the report 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, Oceanside Water Company, Inc. 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, Oceanside Water Company, Inc. 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. On or before the date of actual transfer, James H. Werner and Ann Clair Werner shall refund all customers' deposits and advances for construction, if any, which are due and payable as of the date of transfer. All unrefunded deposits and advances shall be transferred to Oceanside Water Company, Inc., which shall be responsible for their refund when due.

7. Upon compliance with all of the conditions of this order, James H. Werner and Ann Clair Werner shall stand relieved of all further public utility obligations pertaining to the operations of the public utility water system herein authorized to be transferred.

8. This order shall become effective when Oceanside Water Company, Inc. has paid the minimum fee prescribed by Section 1904.1 of the Public Utilities Code, which fee is \$50, or twenty days after the date hereof, whichever date is later.

Dated at San Francisco, California, this 25th day of FEBRUARY, 1972.



[Signature]
Chairman
William J. Lyons Jr.

Vernon L. Stungen

[Signature]
Commissioners

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