

Decision No. 81935

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Burtis W. Benbow, )  
Helen G. Benbow, Loleta M. Benbow, )  
doing business as the BENBOW )  
PROPERTIES, a limited partnership, )  
owners of BENBOW WATER COMPANY )  
for authority to transfer water )  
system assets to BENBOW WATER )  
COMPANY, INC., and for BENBOW )  
WATER COMPANY, INC., to issue )  
stock. )

Application No. 54289  
(Filed August 30, 1973)

O P I N I O N

Burtis W. Benbow, Helen G. Benbow and Loleta M. Benbow, doing business as Benbow Water Company, seek authority to transfer their water system properties to Benbow Water Company, Inc., and the latter seeks authority to issue 320 shares of its \$100 par value capital stock.

The aforementioned three partners operate a public utility water system in Humboldt County. At December 31, 1972, they report total assets of \$47,768, offset by contributions in aid of construction and proprietary capital in the respective amounts of \$13,362 and \$34,406.

Benbow Water Company, Inc. is a California corporation incorporated on March 16, 1973. It proposes to acquire said water system properties in exchange for 320 shares of its \$100 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 would be 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 should be granted. A public hearing is not necessary.

In issuing our order herein we place Benbow Water Company, Inc. 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. Burtis W. Benbow, Helen G. Benbow and Loleta M. Benbow may sell and transfer, and Benbow Water Company, Inc. may purchase and acquire, the water system properties referred to in the application. Any limited partner or other party who may be regarded as a transferor is hereby included in this authorization.

2. On or after the effective date hereof and on or before June 30, 1974, Benbow Water Company, Inc., in acquiring said water system properties, may issue not exceeding 320 shares of its \$100 par value capital stock.

3. Benbow 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, Benbow 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.

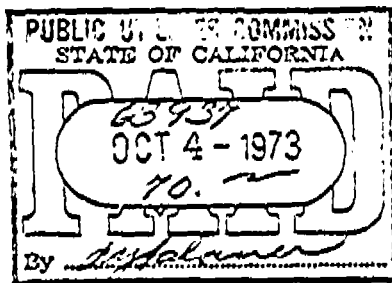
5. After the effective date of this order, and not less than five days before the date of actual transfer, Benbow Water Company, Inc. shall file with the Commission a notice of adoption of the presently filed rates and rules of the transferors in accordance with the procedure prescribed by General Order 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, the transferors 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 Benbow Water Company, Inc., which shall be responsible for their refund when due.

7. Upon completion of the sale and transfer authorized by this order and upon compliance with all the terms and conditions of this order, the transferors shall be relieved of their public utility obligations in connection with the utility system transferred.

8. This order shall become effective when Benbow Water Company, Inc. has paid the fee prescribed by Section 1904.1 of the Public Utilities Code, which fee is \$70.

Dated at San Francisco, California, this 2nd day of October, 1973.



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President  
*William J. Lyons*  
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*[Signature]*  
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*[Signature]*  
Commissioners

Commissioner Vernon L. Sturgeon, being necessarily absent, did not participate in the disposition of this proceeding.

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