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ORIGINAL

Decision No. ~~82678~~

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of)
NORTHERN MOJAVE LANDS, INC. for)
authorization to transfer the assets)
of the Ridgecrest Heights Water Co.)
to the Ridgecrest Heights Land and)
Water Co., and for Ridgecrest Heights)
Land and Water Co., to execute Deed)
of Trust and issue \$20,000.00 note.)

Application No. 54674
(Filed February 20, 1974)

O P I N I O N

Northern Mojave Lands, Inc., doing business as Ridgecrest Heights Water Co., seeks authority to transfer its public utility water system to Ridgecrest Heights Land and Water Co., and the latter seeks authority to issue a \$20,000 note and to execute and deliver a Deed of Trust.

Northern Mojave Lands, Inc. is a California corporation operating a public utility water system in a portion of Kern County. Its wholly-owned subsidiary, Ridgecrest Heights Land and Water Co. is also a California corporation. Pursuant to authority granted by Decision No. 75890, dated July 8, 1969, in Application No. 50786, the latter transferred its water system to the former.

The parent company proposes to transfer its water system back to Ridgecrest Heights Land and Water Co., and the latter proposes to issue a \$20,000 note in favor of Bank of America National Trust and Savings Association in reimbursement of treasury for capital expenditures. The note would be repayable in monthly installments of \$316.73 or more, including interest at the rate of 8-1/2% per annum, and would be secured by a proposed Deed of Trust.

The pro forma balance sheet of Ridgecrest Heights Land and Water Co. as of December 31, 1973, after giving effect to the proposed transactions, as summarized from financial statements attached to the application, is as follows:

<u>Assets</u>	
Current assets	\$12,963
Net water plant	<u>52,071</u>
Total	<u>\$65,034</u>
<u>Liabilities</u>	
Current liabilities	\$15,246
Long-term debt	20,000
Common stock equity, including contributions in aid of construction	<u>29,788</u>
Total	<u>\$65,034</u>

After consideration the Commission finds that:

1. The proposed transfer would not be adverse to the public interest.
2. The proposed note would be for a proper purpose.
3. The proposed Deed of Trust would not be adverse to the public interest.
4. The money, property or labor to be procured or paid for by the note 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.
5. With reasonable certainty the project involved in this proceeding will not have a significant effect on the environment.

On the basis of the foregoing findings we conclude that the application should be granted. A public hearing is not necessary. The authorization granted by this decision is for the purpose of this proceeding only, and is not to be construed 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. Northern Mojave Lands, Inc. may sell and transfer, and Ridgecrest Heights Land and Water Co. may purchase and acquire the water system properties referred to in the application.

2. On or after the effective date hereof and on or before July 31, 1974, for the purpose specified in the application, Ridgecrest Heights Land and Water Co. may execute and deliver a Deed of Trust and may issue a note in the principal amount of not exceeding \$20,000, which documents shall be in substantially the same forms as those attached to the application.

3. Ridgecrest Heights Land and Water Co. 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. As a condition of this grant of authority, Ridgecrest Heights Land and Water Co. shall assume the public utility obligations of Northern Mojave Lands, Inc. within the area served by the water system being transferred.

5. Within ten days after completion of the transfer, Ridgecrest Heights Land and Water Co. shall notify the Commission, in writing, of the date of completion and of the assumption of the obligations set forth in paragraph 4 of this order.

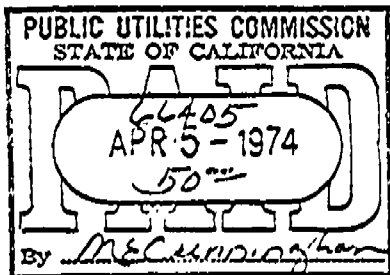
6. Ridgecrest Heights Land and Water Co. shall either file a statement adopting the tariffs of Northern Mojave Lands, Inc. now on file with this Commission or refile under its own name those tariffs in accordance with the procedures proscribed by General Order No. 96-A. No increase in rates shall be made unless authorized by this Commission.

7. On or before the date of actual transfer, Northern Mojave Lands, Inc. shall deliver to Ridgecrest Heights Land and Water Co., and the latter shall receive and preserve all records, memoranda, and papers pertaining to the construction and operation of the water system authorized to be transferred.

8. Upon compliance with all of the terms and conditions of this order, Northern Mojave Lands, Inc. shall be relieved of its public utility obligations in connection with the water system transferred.

9. This order shall become effective when Ridgecrest Heights Land and Water Co. has paid the minimum fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$50.

Dated at San Francisco, California, this 2nd day of APRIL, 1974.



Vernon L. Stinson
President
William J. Stinson Jr.
William J. Stinson Jr.
William J. Stinson Jr.
William J. Stinson Jr.
Commissioners