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Decision 91-12-037 December 18, 1991

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 William D. Joughin and Roberta)
 J. Joughin doing business as South-)
 lake Water Company. #U 305-W for an)
 ex parte order authorizing them to)
 sell the Utility and the Application)
 of Southlake Water Company Inc., a)
 California Corporation for an order)
 authorizing it to issue common stock)
 for the purchase price thereof.)

ORIGINAL

Application 91-08-046
(Filed August 23, 1991)

O P I N I O N

William D. Joughin and Roberta J. Joughin (transferors), doing business as Southlake Water Company, and Southlake Water Company, Inc. (transferee), a California corporation, jointly request authority to transfer the business, property, capital assets, and operations of Southlake Water Company to transferee pursuant to Public Utilities (PU) Code §§ 851 through 854. In consideration for the transfer, transferee seeks authority to issue two thousand (2,000) shares of no par common stock to transferors, pursuant to PU Code §§ 816 through 830.

The utility provides water service to 495 customers in Southlake and vicinity, County of Kern. Its water source is five wells which pump water from local ground water aquifers to its customers and to a 470,000 storage tank.

This water system meets Commission requirements as set forth in General Order (GO) 103.

The utility's income statement for the year 1990 together with a balance sheet and Annual Report to the Commission are attached to the application. Transferee's proposed opening balance sheet dated December 31, 1990 shows total assets of \$559,587 and proprietary capital, in the form of common stock, in the amount of \$298,646. Plant additions after December 31, 1990 of \$89,985 are shown as paid-in capital.

The application states that the utility owners desire to enter into this proposed transaction in order to avail themselves of the benefits of incorporation, including protection from personal liability. Management and operation of the utility will be unaffected by the proposed transfer.

On October 3, 1991, the Water Utilities Branch of the Commission Advisory and Compliance Division noted that Branch staff has recently completed work on a general rate resolution for Southlake Water Company (W-3508), finding only minor improvements to be needed. It recommends ex parte approval of the application.

Findings of Fact

1. South Lake Water Company is a public utility operating under Commission jurisdiction.
2. The utility is owned by transferors who have formed transferee, a California corporation, to operate the business.
3. Transferors and transferee jointly apply for authority to transfer all of the utility business, property, capital assets, and operations into the corporation.
4. This utility meets the requirements of GO 103 and its incorporation is not adverse to the public interest.
5. A public hearing is not required.
6. As this matter is not controversial, this order should be effective immediately.

Conclusion of Law

The application should be granted.

ORDER

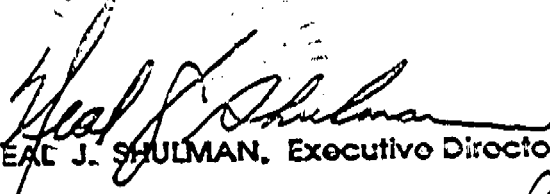
IT IS ORDERED that:

1. On or before April 30, 1992, William D. Joughin and ..
Roberta J. Joughin (transferors) may transfer the water system
referred to in the application to Southlake Water Company, Inc.,
(transferee) according to the terms of the application.
2. Within 10 days after transfer, applicants shall write to
the Commission stating the date of transfer and the date when
transferee began operating the water system.
3. Upon compliance with this order, transferors shall be
relieved of their public utility obligation to the transferred
system.

This order is effective today.

Dated December 18, 1991, at San Francisco, California.

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY


NEAL J. SHULMAN, Executive Director

PATRICIA M. ECKERT
President
JOHN B. OHANIAN
DANIEL Wm. FESSLER
NORMAN D. SHUMWAY
Commissioners