

ORIGINAL

Decision 82 09 013 SEP 8 - 1982

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of DESCANSO PARK WATER CO., INC., )  
a California corporation, for )  
authority to dissolve and trans- )  
fer all assets and liabilities )  
to LeRoy J. LaFrentz in exchange )  
for all its issued and out- )  
standing common capital stock. )

Application 82-06-24  
(Filed June 9, 1982)

O P I N I O N

Descanso Park Water Co., Inc. (Corporation), a California corporation, seeks to dissolve the corporation and to transfer all assets of the corporation to LeRoy J. LaFrentz (LaFrentz).

Corporation furnishes water service to its customers in Descanso, an unincorporated community in San Diego County located approximately 41 miles east of San Diego. As of December 31, 1981, Corporation served 277 metered customers and 68 unmetered customers. The original cost of water plant in service as of December 31, 1981 was \$249,786; the related reserve for depreciation was \$103,486. Corporation's balance sheet for the year ended December 31, 1981, prepared from its annual report, is attached to the application. No customer deposits are recorded. A total of \$48,779 in long-term debt was outstanding at year end. Corporation has 624 shares of common stock outstanding, all of which are issued to LaFrentz. The shares have a par value of \$100 per share, for a total par value of \$62,400. LaFrentz is president of Corporation.

LaFrentz purchased a portion of the water system in 1955 from its former owner, Bernard Jacobs. In 1962 and 1967, additional systems were purchased by LaFrentz and joined into the current system. LaFrentz operated the utility as a sole proprietorship between 1955 and 1969. The utility assets were transferred to Corporation under Decision (D.) 74656, dated September 18, 1968, in Application 50496.

The application states that LaFrentz desires to dissolve Corporation and transfer all of Corporation's assets and liabilities to himself in exchange for all of Corporation's outstanding stock. The application states that LaFrentz would continue to operate the utility in the same manner as in the past, only as a sole proprietorship, instead of a corporation. The application states that LaFrentz is 78 years old and desires to retire soon, and that LaFrentz would be better able to sell the system as a single proprietorship rather than as a corporation.

Corporation and LaFrentz request that the application be granted without hearing. Our staff has reviewed the application and has no objection to the ex parte action requested.

#### Findings of Fact

1. Corporation is a water utility furnishing water service to about 345 connections in Descanso, San Diego County.
2. The original cost of Corporation's plant in service as of December 31, 1981 was \$249,786, and the related reserve for depreciation was \$103,486.
3. All of the outstanding shares of Corporation are owned by LaFrentz. The total par value of these shares is \$62,400.
4. Prior to the formation of Corporation, LaFrentz operated the utility as a single proprietorship. By D.74656 (supra) Corporation was authorized to acquire the utility from LaFrentz and to issue stock.

5. LaFrentz now desires to operate the utility as a single proprietorship. Corporation and LaFrentz join in the request to transfer the assets of Corporation to LaFrentz and for authority to dissolve Corporation.

6. The proposed transfer would not change the beneficial ownership of the utility.

7. LaFrentz has the necessary financial resources and experience to operate the utility.

8. The proposed transfer is not adverse to the public interest.

9. A public hearing is not necessary.

Conclusion of Law

Corporation should be authorized to transfer all of its assets and liabilities to LaFrentz and, upon such transfer, to dissolve.

This authorization is not a finding of the value of the rights and properties to be transferred.

O R D E R

IT IS ORDERED that:

1. On or before December 31, 1982, Descanso Park Water Co., Inc. (seller) may transfer the water system and other assets and liabilities designated in the application to LeRoy J. LaFrentz (buyer).

2. As a condition of this grant of authority, buyer shall assume the public utility obligations of seller, shall assume liability for refunds of all existing customer deposits, and shall notify the affected customers.

3. Within 10 days after transfer buyer shall write the Commission, stating the date of transfer and the date the requirements of paragraph 2 were completed.

4. Buyer shall either file a statement adopting seller's tariffs or refile those tariffs under its own name as prescribed in General Order Series 96. Rates shall not be increased unless authorized by this Commission.

5. Before the transfer occurs, seller shall deliver to buyer, and buyer shall keep, all records of the construction and operation of the water system.

6. When this order has been complied with, seller shall have no further obligations in connection with this water system.

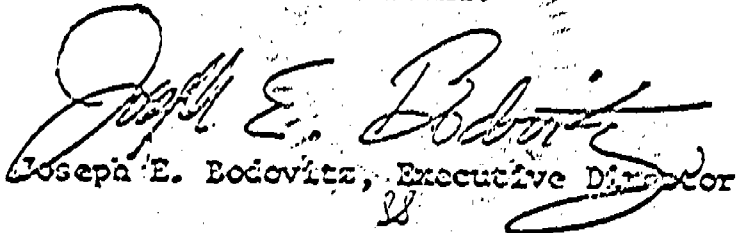
7. Upon completion of the transaction authorized, the corporation formerly operating the water system may be dissolved.

This order becomes effective 30 days from today.

Dated SEP 8 1982, at San Francisco, California.

JOHN E. BRYSON  
President  
RICHARD D. CRAVELLE  
LEONARD M. CRIMES, JR.  
VICTOR CALVO  
PRISCILLA C. GREW  
Commissioners

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

  
Joseph E. Bodovitz, Executive Director