

LEM

Decision No. 18191.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
LeRoy W. Gast,)
doing business as Central Square)
Water Supply, to sell water plant.)

ORIGINAL

Application No. 13556

LeRoy W. Gast, and Nelson R. Crow,
in propria persona.

BRUNDIGE, Commissioner:

OPINION

In this application, as amended at the hearing held thereon, the Railroad Commission is asked to make an order authorizing LeRoy W. Gast to sell and transfer a small public utility water system, known as the Central Square Water Supply, to Nelson R. Crow, under the terms and conditions hereinafter set forth.

The properties involved in this proceeding are located in Los Angeles County, near Vernon, and consist of a piece of real estate, 25 by 100 feet in dimension, upon which there is situated a 12-inch well, drilled to a depth of about 360 feet, whence water is pumped by a four stage Layne and Bowler deep well turbine to a 15,000 gallon redwood tank, placed on a 60 foot tower, and thence distributed by gravity through about 6000 feet of pipe, mostly 2, 4 and 6 inch casing, to about seven domestic consumers, including, however, several apartment houses and hotels. Authority to operate this system was granted to LeRoy W. Gast by the Commission by Decision No. 15222, dated July 30, 1925. (Vol. 26, Opinions and Orders of the Railroad Commission of California, page 850).

LeRoy W. Gast now reports that he has become engaged in business located at some distance from the water system so that he is not able to devote the proper amount of time, attention and finances to the public utility water system. For this reason he has made arrangements to sell the properties to Nelson R. Crow, who is engaged in business in the district served by the utility, and who, it appears, is in a position to invest the additional funds that might be necessary to give proper and adequate service in the district as the demand for service increases.

The testimony herein indicates that the original cost of the properties amounted to \$15,715.05. The agreed transfer price, however, is \$8,000., of which the purchaser proposes to pay \$5,200. in cash and to issue a note for the remaining \$2,800., such note to be secured by a mortgage of the system and to be payable in monthly installments of \$100., or more, at the mortgagor's option, with interest at the rate of eight percent per annum, payable monthly. A copy of the proposed mortgage, filed in this proceeding, seems to be in satisfactory form.

Under the circumstances set forth in this matter, as indicated herein, I believe that public convenience and necessity will be served by the proposed transfer, and accordingly submit the following form of order:-

O R D E R

Application having been made to the Railroad Commission for an order authorizing the transfer of a public utility water system, and the issue of a note secured by mortgage of such water system, a public hearing having been held, and the Railroad Commission being of the opinion that the application should be granted as herein provided, and that the money, property or labor to be procured or paid for through the issue of the note is reasonably required for the purposes specified herein, and that the expenditures for such purposes are not,

in whole or in part, reasonably chargeable to operating expense or to income,

IT IS HEREBY ORDERED that LeRoy W. Gast be, and he hereby is, authorized to sell and transfer to Nelson R. Crow, for \$8,000.00 the public utility water system, referred to in the foregoing opinion, known as the Central Square Water Supply, and Nelson R. Crow be, and he hereby is, authorized to execute a mortgage, substantially in the same form as that filed in this proceeding, and to issue, in part payment for the water system herein authorized to be transferred, a promissory note, secured by said mortgage, in the principal amount of \$2,800., payable in monthly installments of \$100., or more, with interest at the rate of eight percent per annum.

The authority herein granted is subject to the following conditions:-

1. The price at which the water system herein is authorized to be transferred shall not be urged before the Commission, or other public body, as a measure of value for the purpose of fixing rates, or for any purpose other than this transfer.
2. The authority herein granted to execute a mortgage is for the purpose of this proceeding only, and is granted only insofar as this Commission has jurisdiction under the terms of the Public Utilities Act, and is not intended as an approval of said mortgage as to such other legal requirements to which said mortgage may be subject.
3. Within ten days from the date when LeRoy W. Gast actually relinquishes control and possession of the property herein authorized to be transferred, he shall file with this Commission a certified statement indicating the exact date upon which such control and possession was so relinquished. Within thirty days after the

transfer of the properties is effected, LeRoy W. Gast shall file a certified copy of the instrument of conveyance.

4. Nelson R. Crow shall file with the Commission, within thirty days after the issue of the note herein authorized, a verified statement, as required by the Railroad Commission's General Order No. 24, which order, insofar as applicable, is made a part of this order.

5. The authority herein granted to transfer properties shall become effective upon the date hereof, but the authority granted to issue a note shall become effective only when Nelson R. Crow has paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which fee is \$25.00.

The foregoing Opinion and Order are hereby approved and ordered filed as the Opinion and Order of the Railroad Commission of the State of California.

DATED at San Francisco, California, this 7th day of April, 1927.

Fee \$25.00
RAILROAD COMMISSION
STATE OF CALIFORNIA
APR 15 1927
A. M. [Signature]
Sec # 21049

[Signature]

[Signature]

[Signature]

Commissioners.