

**ORIGINAL**Decision No. 19201

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of

THE HOVEY-BANDY CORPORATION,  
A CORPORATION, AND LOS ANGELES  
WATER SERVICE COMPANY, A COR-  
PORATION,

Application No. 14027.

for a Certificate Authorizing the  
Sale and Transfer of the Properties  
of THE HOVEY-BANDY CORPORATION to  
LOS ANGELES WATER SERVICE COMPANY.

Knight & Reynolds, by G.J. Knight,  
for Applicant.

BY THE COMMISSION:

O P I N I O N

In the above entitled application, The Hovey-Bandy Corporation, operating a public utility water system supplying water to the residents of Tracts Nos. 8293 and 9486, Los Angeles County, asks authority to sell and transfer its public utility property to the Los Angeles Water Service Company, a corporation, which joins in the application.

A public hearing in the above entitled proceeding was held before Examiner Williams at Los Angeles after all interested parties had been duly notified and given an opportunity to appear and be heard.

According to the evidence, the principal business of The Hovey-Bandy Corporation is the subdividing and marketing of

real property and, for this reason, does not desire to continue in the water business and has agreed to sell its entire public utility water properties for a consideration of \$2,500. cash to the Los Angeles Water Service Company, which for several years last past has been engaged solely in the business of selling and distributing water for domestic, irrigation and other purposes in the County of Los Angeles. The service company now owns and operates several public utility water plants and intends to consolidate and connect this plant with its other systems, which will result in better pressure and service to all consumers of the Hovey-Bandy system.

There is a differential in the rates now in effect on these two systems, the monthly minimum charge on The Hovey-Bandy Corporation's system being twenty-five cents greater than that on the system of the purchaser. Under the conditions existing in this particular instance, in order to avoid future complications, it appears advisable to equalize the rates and put in effect, as of January 1, 1928, on the system to be acquired herein the schedule of rates established by this Commission in its Decision No. 10070, dated February 8, 1922.

No one protested against the proposed transfer and, it appearing that the consolidation of these systems is in the public interest, we are of the opinion that the application should be granted.

#### O R D E R

The Hovey-Bandy Corporation, a corporation, having made application to the Railroad Commission for authority to sell its water system, including certain real property as more particularly described in the application herein. to the Los Angeles Water Service Company, a corporation, which joins in the application, a

public hearing having been held thereon, the matter having been duly submitted and the Commission being now fully advised in the premises,

IT IS HEREBY ORDERED that The Hovey-Bandy Corporation, a corporation, be and it is hereby authorized to sell and transfer to the Los Angeles Water Service Company, a corporation, for the consideration of \$2,500., its public utility water system in Los Angeles County, as more particularly described in the application herein which is hereby referred to and made a part of this order, subject to the following terms and conditions:

1. The authority hereby granted shall apply only to such transfer as shall have been made on or before March 1, 1928, and a certified copy of the final instrument of conveyance shall be filed with this Commission by The Hovey-Bandy Corporation within thirty (30) days from the date of this order.
2. The consideration to be paid for the transfer of this property shall not be urged before this Commission or any other public body as a finding of value of said property for rate fixing or any purpose other than the transfer herein authorized.
3. Within ten (10) days from the date on which The Hovey-Bandy Corporation actually relinquishes control and possession of the property herein authorized to be transferred, it shall file with this Commission a certified statement indicating the date upon which such control and possession was relinquished.
4. The Hovey-Bandy Corporation shall file with this Commission, within sixty (60) days from the date of this order, a statement setting forth the financial operations of its public utility properties herein authorized to be transferred for the period commencing January 1, 1927, to and including the date control and possession of the property is relinquished.

5. Within ten (10) days from the date of this order, Los Angeles Water Service Company, a corporation, shall file with this Commission the schedule of rates established by this Commission in its Decision No. 10070, dated February 8, 1922, which schedule of rates shall be charged by said company on the system authorized to be purchased herein for all water service rendered on and after the first day of January, 1928.

The authority herein granted shall become effective on the date hereof.

Dated at San Francisco, California, this 30<sup>th</sup> day of December, 1927

[Signature]  
[Signature]  
Leon Whitall  
[Signature]  
[Signature]  
Commissioners.