

LEM

Decision No. 19454.

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
LEWIS A. TURNER and PRUDENCE TURNER,)
sellers, and Bell Water Company, a)
corporation, buyer, for an order)
authorizing the conveyance of pro-)
perty, and the issuance of notes.)

Application No. 14369

BY THE COMMISSION:

O P I N I O N

In the above entitled matter the Railroad Commission is asked to authorize Lewis A. Turner and Prudence Turner to sell certain public utility water properties, known as the Turner Water System, for \$15,000.00, to Bell Water Company, a corporation, and to authorize Bell Water Company to execute a deed of trust and a chattel mortgage and to issue a promissory note in the principal amount of \$14,000.00, payable in installments of \$200. or more a month, until April 10, 1933, when the unpaid balance becomes due and payable, with interest on unpaid balances at the rate of seven percent per annum.

It appears that both the Turner Water System and the Bell Water Company supply water for domestic and other purposes in and about the City of Bell, Los Angeles County, the former serving about 220 consumers and the latter about 1182. The

revenues and expenses of the two systems for the last three calendar years have been reported as follows:-

I. Turner Water System

<u>Item</u>	<u>1925</u>	<u>1926</u>	<u>1927</u>
Operating revenues	\$5,631.28	\$5,824.95	\$4,775.20
Operating expenses, including taxes and depreciation	5,753.90	6,877.23	6,194.91
Net operating loss	\$ 122.62	\$1,052.28	\$1,419.71

II. Bell Water Company

<u>Item</u>	<u>1925</u>	<u>1926</u>	<u>1927</u>
Operating revenues	\$23,086.08	\$26,432.74	\$ 26,867.69
Operating expenses, including taxes and depreciation	17,547.29	20,365.89	23,183.29
Net operating revenues.	\$ 5,538.79	\$ 6,066.85	\$ 3,684.40

At the close of 1927 Lewis A. Turner and Prudence Turner report fixed capital installed at \$27,962.65 and reserve for accrued depreciation at \$10,376.15, leaving a net figure of \$17,586.50. It appears that the properties comprising the Turner Water System will be transferred free of encumbrances for \$15,000., payable \$1,000. in cash and \$14,000. by a promissory note due in monthly installments of \$200. or more, until April 10, 1933, when the unpaid balance becomes due and payable, with interest at the rate of seven percent per annum on the unpaid balances. Payment of the note will be secured by a deed of trust and a chattel mortgage on the properties transferred. Copies of both instruments have been filed with the Commission and seem to be in satisfactory form.

It is recited in the application that Bell Water Company agrees to serve the same consumers and territory now served by the Turner Water System and to take over all the obligations of service now resting on the sellers as the owners and operators of a public utility water system. It appears that the rates now charged on the Turner Water System will be continued. Under the circumstances and conditions set forth, we believe the transfer of the properties

should be authorized.

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 execution of a deed of trust and a chattel mortgage and the issue of a note, and the Railroad Commission being of the opinion that this is a matter in which a public hearing is not necessary and 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 purpose specified herein, which purpose is not in whole or in part reasonably chargeable to operating expense or to income,

IT IS HEREBY ORDERED that Lewis A. Turner and Prudence Turner be, and they hereby are, authorized to sell and transfer for \$15,000. to Bell Water Company, a corporation, the public utility water system and properties referred to in this application and known as the Turner Water System.

IT IS HEREBY FURTHER ORDERED that Bell Water Company be, and it hereby is, authorized to execute a deed of trust and a chattel mortgage, substantially in the same form as those filed with the Commission on February 9, 1928, and to issue, in part payment for the Turner Water System, its promissory note secured by said deed of trust and chattel mortgage in the principal amount of \$14,000., payable in monthly installments of \$200. or more, until April 10, 1933, when the unpaid balance shall become due and payable, with interest at the rate of not exceeding seven percent per annum on deferred payments.

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

1. The price at which the properties referred to herein are authorized to be transferred shall not be urged before this Commission or other public body or court as a measure of value of said properties for the purpose of fixing rates, issuing securities or any purpose other than this transfer.

2. Within thirty days after the transfer of the properties referred to herein Bell Water Company shall file a certified statement indicating the exact date upon which it acquired possession of the properties and a certified copy of the deed or deeds of conveyance.

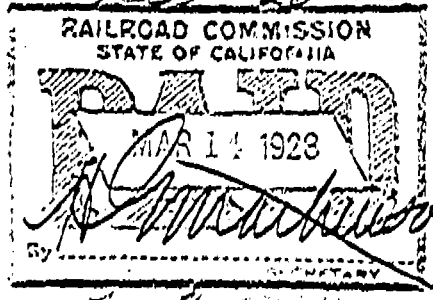
3. Bell Water Company shall keep such record of the issue and delivery of the note herein authorized as will enable it to file, within thirty days after such issue, a verified report, as required by the Railroad Commission's General Order No. 24, which order insofar as applicable, is made a part of this order.

4. Lewis A. Turner and Prudence Turner, within thirty days after relinquishing possession of the properties referred to herein shall file a financial statement prepared on the report forms provided by this Commission, covering the period from January 1, 1928 to the date upon which they transferred said properties.

5. The authority herein granted shall become effective when Bell Water Company has paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which fee is Twenty-five(\$25.) Dollars.

DATED at San Francisco, California, this 10th day of

March, 1928. no
Fee \$ 25.00



Chas. J. ...
Thos. J. ...
M. J. ...
4- Commissioners