

IM

Decision No. 10477

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
JESSE S. HARKER and the ESTATE of )  
EDNA M. HARKER, Deceased, to sell )  
and convey and of BENJAMIN FRANKLIN )  
NELSON and ELIZABETH NELSON to buy )  
and of BENJAMIN FRANKLIN NELSON and )  
ELIZABETH NELSON to mortgage the )  
MELVIN PLACE WATER PLANT located in )  
Los Angeles County, California. )

Application Number 7703.

Charles L. Evans, for Applicants.

BY THE COMMISSION:

O P I N I O N

In this application, Jesse S. Harker, individually and as administrator of the Estate of Edna M. Harker, deceased, asks permission to sell and transfer certain public utility water properties to Benjamin Franklin Nelson and Elizabeth Nelson, both of whom have joined in the application and ask permission to purchase and acquire such properties.

In addition, Benjamin Franklin Nelson and Elizabeth Nelson ask permission to execute a mortgage on the properties and to issue a three year seven percent. note in the principal amount of \$4,000. in part payment for such properties.

A public hearing was held by Examiner Williams in Los Angeles on April 28, 1922. On May 3, 1922 Benjamin Franklin Nelson and Elizabeth Nelson filed a copy of the mortgage they propose to execute and the matter is now ready for decision.

The application shows that J. S. Harker has been operating a water system and business in the County of Los Angeles under the firm name and style of Melvin Place Water Plant, serving 398 consumers on December 31, 1921. The revenues and expenses of the system for the years ending December 31st are reported as follows:-

	1918	1919	1920	1921
Revenues . . . . .	\$3,023.04	\$3,232.22	\$4,239.12	\$5,701.29
Expenses . . . . .	1,847.97	2,145.69	3,312.64	5,377.20
Net revenue . . . . .	\$1,175.07	\$1,086.53	\$ 926.48	\$ 324.09

The record shows that Jesse S. Harker acquired the properties pursuant to Decision No. 1447, dated April 16, 1914 (Vol. 4, Opinions and Orders of the Railroad Commission of California, Page 798) from William B. Ball in exchange for a ranch of 480 acres in Madera County.

It appears that Jesse S. Harker assigned these properties to Edna M. Harker, his wife, now deceased, and that Jesse S. Harker is the sole beneficiary and has been appointed administrator of the Estate of Edna M. Harker. He now proposes to sell and transfer the water system and business to Benjamin Franklin Nelson <sup>and Elizabeth Nelson</sup> in exchange for a twenty acre ranch located at Alta Loma, San Bernardino County, together with twenty shares of stock of Lamosa Water Company, a mutual company, and a \$4,000.00 seven percent. three year note dated February 18, 1922 secured by a first mortgage on Melvin Place Water Plant.

The testimony of Benjamin Franklin Nelson shows that he estimates the value of the San Bernardino County ranch properties as \$30,000.00, this being the price at which they were purchased by him.

The application and testimony herein indicate that J.S. Harker desires to withdraw from the public utility business and devote his time to other interests. It appears that the Nelsons plan to live on the properties and to give personal attention to the operation of

the water business and that they are financially able to maintain and operate the plant as a public utility.

In Decision Number 9947 made on December 29, 1921, in Case No. 1610, the Commission, to some extent, reviewed service conditions of Melvin Place Water Plant and directed Jesse S. Harker and Edna M. Harker to file plans and to proceed with the construction of improvements and betterments necessary to insure an adequate water service at all times and to place a suitable meter upon each active service. The record shows that Jesse S. Harker and Edna M. Harker have installed all the improvements and betterments except a small portion of the meters. The purchasers of the properties are familiar with the Commission's Decision Number 9947 and have agreed to comply with the terms and conditions thereof.

O R D E R

Application having been made to the Railroad Commission for an order authorizing the transfer of the properties, the execution of a mortgage and the issue of a note, a public hearing having been held and the Railroad Commission being of the opinion that the request should be granted, subject to the conditions of this order;

IT IS HEREBY ORDERED that Jesse S. Harker, individually and as administrator for the estate of Edna M. Harker, deceased, be and he is hereby authorized to transfer and convey, and Benjamin Franklin Nelson and Elizabeth Nelson be, and they are hereby, authorized to acquire the public utility water properties and business referred to in the foregoing opinion and known as Melvin Place Water Plant.

IT IS HEREBY FURTHER ORDERED that Benjamin Franklin Nelson and Elizabeth Nelson be, and they are hereby, authorized to execute a mortgage substantially in the same form as that filed in this proceeding on May 3, 1922 and to issue to Jesse S. Harker their three year seven percent. note in the principal amount of \$4,000.00 in part payment for the properties they are herein authorized to acquire.

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

- 1..... The authority herein granted to execute a mortgage is for the purpose of this proceeding only and is an approval only in so far as this Commission has jurisdiction under the terms of the Public Utilities Act and is not intended as an approval as to such other legal requirements to which said mortgage may be subject.
- 2.... The authority herein granted to transfer properties shall not be interpreted as a finding of value of said properties for the purpose of fixing rates or for any purpose, other than this transfer.
- 3..... Benjamin Franklin Nelson and Elizabeth Nelson shall comply with the terms and conditions of the Commission's Decision Number 9947 dated December 29, 1921 in Case Number 1610.
- 4..... Within ten days after the transfer of the properties herein authorized shall have been effected, Benjamin Franklin Nelson and Elizabeth Nelson shall report that fact in writing to the Commission, together with the exact date upon which they took possession of such properties, and shall at the same time file with the Commission a copy of the instrument by which said properties were conveyed.
- 5..... Within thirty days after the issue of the note herein authorized, Benjamin Franklin Nelson and Elizabeth Nelson shall file with the Commission a copy of said note.

6..... The authority herein granted will not become effective until Benjamin Franklin Nelson and Elizabeth Nelson have paid the <sup>minimum</sup> fee prescribed by Section 57 of the Public Utilities Act, which fee is \$25.00.

7..... The authority herein granted will apply only to such transfer of property, execution of a mortgage and issue of a note as may be made on or before November 30, 1922.

DATED at San Francisco, California, this 9<sup>th</sup> day of May, 1922.

H. B. Boudie

Erving Martin

J. J. Medick  
Commissioners.

