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Decision No. 7466.

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE
STATE OF CALIFORNIA.

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In the Matter of the Application of)
MAGGIE L. NOFZIGER and R.A. BLACKBURN)
for permission to sell and transfer) Application No. 5510.
all of the property of said Nofziger)
to said Blackburn.)

D.I. Nofziger for Maggie L. Nofziger
R.A. Blackburn in propria persona

BRUNDIGE, Commissioner.

O P I N I O N.

MAGGIE L. NOFZIGER asks permission to sell to R.A. BLACKBURN for the sum of \$8,000.00 a public utility water plant located at Coachella. A.R. Blackburn, who joins in the application, has agreed to pay \$2,000.00 of the purchase price in cash and \$6,000.00 in two years, with interest at the rate of 7 per cent per annum, as provided in the agreement of sale, copy of which has been filed in this proceeding.

The record shows that the selling price of the properties is based upon an appraisal made by the Commission's engineers in Application No. 4872, in which Maggie L. Nofziger asked the Commission to establish reasonable rates. From the decision in that proceeding, it appears that the Commission's engineers estimated the cost new of the properties at \$8,692.00 and allowed \$133.00 as a replacement fund computed by the sinking fund method. It should be said, however, in this connection that in fixing rates, applicant did not ask a return upon the estimated cost new of the properties as found by the Commission's engineers, but a return upon \$5,000.00, representing the amount actually paid for the properties. The record further shows that

R.A. Blackburn has recently acquired properties in the vicinity of Coachella; that he is in a position to give personal attention to the operation of the public utility properties, and will install all reasonable extensions.

I herewith submit the following form of Order.

O R D E R.

MAGGIE L. NOFZIGER having applied to the Railroad Commission for authority to sell her public utility water plant to R.A. BLACKBURN for \$8,000.00, said purchaser having joined in the application, a public hearing having been held and the Railroad Commission being of the opinion that this application should be granted;

IT IS HEREBY ORDERED, that MAGGIE L. NOFZIGER be, and she is hereby, authorized to sell to R.A. BLACKBURN for the sum of \$8,000.00 the public utility water plant referred to in the petition herein and more particularly described in the agreement of sale filed in this proceeding.

IT IS HEREBY FURTHER ORDERED, that R.A. BLACKBURN be, and he is hereby, authorized to issue a 2-year 7 per cent note for the principal sum of \$6,000.00 to pay in part for the properties.

The authority herein granted is subject to the following conditions:

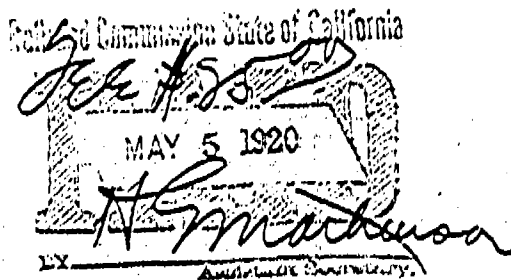
- 1.--The price at which R.A. Blackburn is herein authorized to acquire the properties shall never be urged by him, his successors, or assigns, as a measure of value of said properties for the purpose of fixing rates, or for any purpose other than the transfer herein authorized.
- 2.-- Within thirty days after taking possession of the properties, R.A. Blackburn shall file with the Railroad Commission a statement showing the exact date on which he has taken possession.

3.--Within thirty days after its execution, R.A. Blackburn shall file with the Railroad Commission a certified copy of the instrument of conveyance.

4.--The authority herein granted will not become effective until R.A. Blackburn has paid the fee prescribed in the Public Utilities Act.

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 21st day of April, 1920.



Edwin O. Edgerton
Francis R. Dalton
H. H. Bourdage

Commissioners.