

ORIGINAL

Decision No. 27805

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of H.W. OTIS & SON to sell their properties to Palm Springs Water Company, a corporation, and to discontinue public utilities service, and of PALM SPRINGS WATER COMPANY, a corporation, for authority to purchase the said properties, to assume the said public utilities service and to establish rates within the area served, and to have approved a note for \$3,000 given to Nev-Cal Electric Securities Company, a corporation.

Application No. 19767.

C.L. McFarland, for Applicants.

C.W. Cornell, for Southern Pacific Company
and Southern Pacific Railroad Company.

BY THE COMMISSION:

O P I N I O N

H.W. Otis & Son, owners of a small public utility water system supplying water to the residents of Araby Tract, near the Town of Palm Springs, Riverside County, ask for authority to sell their water system to Palm Springs Water Company, a corporation, and thereafter be relieved of all further public utility obligations. Palm Springs Water Company joins in the application and further asks the approval of a note for three thousand dollars (\$3,000) given to Nev-Cal Electric Securities Company.

A public hearing in this matter was held before Examiner MacKall at Palm Springs.

H.W. Otis & Son several years ago subdivided a parcel of land adjacent to the Town of Palm Springs, in Riverside County, known as the Araby Tract and installed a water system to supply

the residents thereof. A certificate of public convenience and necessity to supply water in the above tract was granted by this Commission in Decision No. 16066, dated March 3, 1926.

Mr. Otis testified that he is no longer in a position financially to operate the system and install the necessary improvements and for this reason desires to sell the entire system including two certain parcels of land to the Palm Springs Water Company for a consideration stated to be twenty seven hundred and fifty dollars (\$2,750), although the testimony indicates further that Otis & Son have invested approximately fifteen thousand one hundred and fifty dollars (\$15,150) in the water works, exclusive of lands necessary for its operation. Request was made at the hearing to amend the application herein so as to modify the description of the lands to be transferred to the Palm Springs Water Company, which amendment was granted as follows:

Lands to be Transferred in lieu of
Lands set forth under Exhibit "A"
attached to the Application, described
under "REAL PROPERTY" as Parcel One
and Parcel Two, Parcel Three to remain
as described in said Exhibit "A,"
amended, however, to read as Parcel Two.

Parcel No. 1.

West half of north half of west half of
northwest quarter of southeast quarter
of northeast quarter of Section 25,
Township 4 South, Range 4 East, S.B.B.M.,
Riverside County, California; subject to
easements as follows: 30 feet along
north side; 20 feet along the west side
for road purposes and 4 feet along south
side for public utilities; containing
one and one-quarter acres more or less,
according to government survey.

Parcel No. 2.

Lot 26, Block F, Araby Tract, Palm
Springs, Riverside County, California.

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Authority was asked by Palm Springs Water Company to place in effect on the system to be acquired the rates, rules and regulations now in effect for this company. As the two schedules are substantially the same and no protest was made, permission will be so granted.

Palm Springs Water Company is now in a position to provide an adequate and dependable water supply to the territory now being served by H.W. Otis & Son and intends in the near future to interconnect the two properties whose respective mains are now approximately a mile and a quarter apart.

Since submission of this case, Palm Springs Water Company has stated that it will not now require authority from this Commission to issue the note for three thousand dollars (\$3,000) as arrangements have been made to give a note for a period less than twelve months which may be accomplished without formal order from the Railroad Commission.

O R D E R

H.W. Otis & Son, a co-partnership, and Palm Springs Water Company, a corporation, having made application as entitled above, 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 H. W. Otis & Son, a co-partnership, be and they are hereby authorized to transfer to Palm Springs Water Company, a corporation, the properties com-

prising the water system supplying the Araby Tract, situate in the vicinity of the Town of Palm Springs in the County of Riverside as such properties including certain parcels of land are more particularly set forth and described in Exhibit "A" as amended, attached to the application herein and hereby made a part of this Order by reference, and Palm Springs Water Company, a corporation, be and it is hereby authorized to purchase, acquire and operate such properties under the rates, rules and regulations now on file with this Commission and effective on the Palm Springs Water Company's system, subject to the following terms and conditions:

1. The authority herein granted shall apply only to such transfer as shall have been made on or before the first day of May, 1935, and a certified copy of the final instrument of conveyance shall be filed with this Commission by Palm Springs Water Company within thirty (30) days from the date on which it is executed.
2. Within ten (10) days from the date on which H.W. Otis & Son actually relinquish control and possession of the property herein authorized to be transferred, they shall file with this Commission a certified statement indicating the date upon which such control and possession were relinquished.
3. The consideration for the transfer herein authorized shall not be urged before this Commission or any other public body as a finding of value for rate-fixing or any purpose other than the transfer herein authorized.

IT IS HEREBY FURTHER ORDERED that upon due and proper compliance with the terms and conditions of this Order H.W. Otis & Son, a co-partnership, be and they are thereby relieved from any and all public utility obligations and liabilities in connection with the operation of the water works supplying said Araby Tract.

IT IS HEREBY FURTHER ORDERED that so much of this ap-

plication as requests authority to issue a note of three thousand dollars (\$3,000) to Nev-Cal Electric Securities Company, a corporation, be and it is hereby dismissed without prejudice.

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

Dated at San Francisco, California, this 11th day of March, 1935.

Leon Whidley
W. H. Lee
M. B. Davis
Arthur H. ...
Frank ...
Commissioners.