

Decision No. 29094

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 CLEAR LAKE PARK WATER COMPANY
 and
 LOS ANGELES MORTGAGE UNDERWRITERS, INC.
 for an order authorizing the acquirement
 and leasing of the "Austin's" public
 utility water system.

Application No. 20639

BY THE COMMISSION:

ORDER

In this application the Railroad Commission is asked to enter its order authorizing Los Angeles Mortgage Underwriters, Inc. and J. T. LaBree to assign and transfer a certificate of public convenience and necessity to Clear Lake Park Water Company and to lease the water system referred to as the Austin's Public Utility Water System to said Clear Lake Park Water Company.

As we understand this application it contemplates that the certificate of public convenience and necessity heretofore granted by the Commission to operate what is known as the Austin's Public Utility Water System be assigned and transferred to the Clear Lake Park Water Company, while the tangible properties will be leased to the Clear Lake Park Water Company for a term of ten years. The lessee agrees to pay as rent for the properties the sum of \$25 a month and agrees to maintain the leased properties in good repair and replace the parts thereof as they may need replacing. The lessors grant to the lessee an option to purchase

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the leased property including all replacements and additions thereto and connections thereon, including meters installed by the lessee at and for the purchase price of \$6,000, payable to the lessor in lawful money of the United States or, at the election of the lessee, in its valid bonds at par, said purchase price to be in addition to all rent accrued up to the time of the purchase of the properties.

It appears that Austin's Public Utility Water System has been connected with the water system owned by Clear Lake Park Water Company and that the two will be consolidated for operation.

We have considered applicants' request and believe that this is a matter in which a public hearing is not necessary. We are of the opinion, however, that the lease which applicants desire to execute should be amended so as to cover the certificate of public convenience and necessity. We do not favor the splitting up of Austin's Public Utility Water System by transferring and assigning the certificate of public convenience and necessity and leasing the tangible properties for a term of ten years. The two should be regarded as a unit. It should be understood that by authorizing the execution of the lease we are not authorizing the transfer and sale of the properties nor are we by this order authorizing the lessee, in the event it exercises its option to acquire the properties, to issue any bonds to pay for the properties. Both the transfer of the properties and the issue of bonds should be the subject matter of a subsequent application or applications.

IT IS HEREBY ORDERED that Clear Lake Park Water Company, Los Angeles Mortgage Underwriters, Inc. and J. T. LaBree be and they are hereby authorized to execute a lease substantially in the same form as the lease filed in this proceeding, provided that such lease be amended so as to cover the certificate of public

convenience and necessity acquired by Los Angeles Mortgage Underwriters, Inc. on May 7, 1936 from J. T. LaBree who, in turn, acquired the same from E. T. Williams, Trustee in Bankruptcy, on April 29, 1936, pursuant to Decision No. 28773 dated April 29, 1936, in Application No. 20499.

IT IS HEREBY FURTHER ORDERED that within thirty (30) days after the execution of the lease herein authorized, Clear Lake Park Water Company shall file with the Commission a certified copy of such lease.

IT IS HEREBY FURTHER ORDERED that for all purposes the effective date of this Order shall be twenty (20) days from the date hereof.

Dated at San Francisco, California, this 31st day of August, 1936.

M. B. Lewis
Leon A. Huxley
W. A. Lewis
W. H. Huxley
George K. Lewis
Commissioners