

ORIGINAL

Decision No. 29411

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
Mountain Properties, Inc., a California  
Corporation, and E.R. Capstaff, for an  
Order Authorizing the Assignment of a  
Public Utility Water System.

Application No. 20920

BY THE COMMISSION:

O P I N I O N

This is an application for an order authorizing Mountain Properties, Inc., to transfer to E.R. Capstaff a public utility water system located in Lake Brook Park Subdivision, near Lake Arrowhead, San Bernardino County, and authorizing E.R. Capstaff to execute a deed of trust and a mortgage of chattels and to issue a promissory note in the principal amount of five thousand three hundred dollars (\$5,300) payable in monthly installments of seventy-five dollars (\$75.00) with interest at the rate of seven percent per annum.

The consideration to be paid by E.R. Capstaff for the water system is the sum of ten thousand dollars (\$10,000), of which four thousand seven hundred dollars (\$4,700) will be paid immediately upon the order of the Commission approving the transfer and five thousand three hundred dollars (\$5,300) will be evidenced by a note payable as indicated above and secured by a deed of trust and mortgage of chattels upon the properties comprising the system. Copies of the two indentures have been filed by applicants as

Exhibits "D" and "E" attached to the application. They appear to be in satisfactory form.

It is alleged that the original cost of the water system was approximately twelve thousand five hundred dollars (\$12,500). At the end of 1935 there were 126 consumers reported. The application recites that Mountain Properties, Inc., desires to withdraw from its operations in San Bernardino County and to concentrate its activities in Orange County, where it now owns and operates two other water systems, and, for that reason, wants to transfer the system referred to in this proceeding under the terms indicated herein. We are not, of course, at this time making any finding of value of the properties here involved.

It appears that E.R. Capstaff at one time owned a part of the properties he now proposes to acquire, that he is familiar with the properties and that he intends to live in the district in order to conduct the operations. It therefore would seem that the transfer as now proposed should not be contrary to the public interest, that a public hearing in this matter is not necessary, and that an order should be entered accordingly.

#### O R D E R

Application having been made to the Railroad Commission for an order authorizing the transfer of properties, the execution of a deed of trust and a mortgage of chattels and the issue of a note, and the Commission being of the opinion that this is not a matter in which a public hearing is necessary, 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 expenses or to income, therefore,

IT IS HEREBY ORDERED that Mountain Properties, Inc., be and it hereby is authorized to transfer to E.R. Capstaff on or before February 28, 1937, the water system located in Lake Brook Park Subdivision, San Bernardino County, referred to herein, such transfer to be made in accordance with the terms and conditions outlined in the application herein.

IT IS HEREBY FURTHER ORDERED that E.R. Capstaff be and he hereby is authorized to execute on or before February 28, 1937, a deed of trust and a mortgage of chattels in or substantially in the same form as those filed as Exhibits "D" and "E," respectively, attached to the application herein, provided that the authority here given is for the purpose of this proceeding only and is given only in so far as this Commission has jurisdiction under the terms of the Public Utilities Act, and is not intended as an approval of said indentures as to such other legal requirements to which they may be subject.

IT IS HEREBY FURTHER ORDERED that E.R. Capstaff be and he hereby is authorized to issue on or before February 28, 1937, a promissory note in the principal amount of five thousand three hundred dollars (\$5,300) payable in monthly installments of seventy-five dollars (\$75.00) with interest at the rate of not exceeding seven percent per annum for the purpose of financing in part the cost of acquiring the water system herein authorized to be transferred to him.

IT IS HEREBY FURTHER ORDERED that the authority herein granted will become effective when E.R. Capstaff has paid the minimum

fee prescribed by Section 57 of the Public Utilities Act, which fee is twenty-five dollars (\$25.00), and when E.R. Capstaff has filed with the Commission a verified statement in which he agrees to refund any consumers' deposits due and unpaid at the time of transfer of the water system to him, such refund to be made in accordance with the rules and regulations of Mountain Properties, Inc., now in effect and applying on the water system here involved.

IT IS HEREBY FURTHER ORDERED that the authority herein granted is subject to the following conditions:

1. E.R. Capstaff shall file with the Commission, within thirty (30) days after transfer of the aforesaid water system, (a) a copy of each deed or other instrument of conveyance under which he acquires title to said system; (b) a statement showing the exact date upon which he took possession of and commenced operating the system; and (c) a copy of the note as actually executed.
2. The consideration to be paid by E.R. Capstaff under the authority herein granted 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.

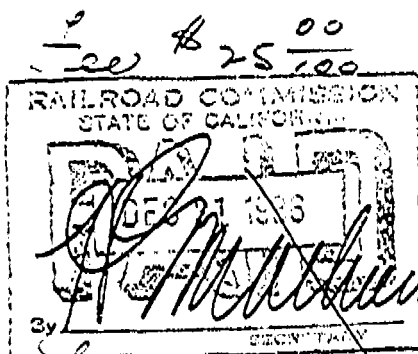
Dated at San Francisco, California, this 28<sup>th</sup> day of

December, 1956.

W B Lewis

Leon Whitwell

Malcolm ...  
Joan ...  
Commissioners.



Fee # 33074