

Decision No. 39187

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application
of CALWA WATER WORKS - James D.
Matthews and Mary A. Matthews,
Owners, and Robert M. Simpson
and Elvera V. Simpson, husband
and wife, prospective assignees
of their interest therein, for
order authorizing transfer of
public utility water properties
subject to certain cash payment
and assumption of certain balance
of promissory note and subject to
certain deeds of trust and chattel
mortgages of said public utility
water properties.

ORIGINAL

Application
No. 27609

O P I N I O N .

This is an application for an order of the Railroad Commission authorizing James D. Matthews and Mary A. Matthews, doing business under the firm name and style of Calwa Water Works, to sell certain water properties to Robert M. Simpson and Elvera V. Simpson, husband and wife.

The properties to be transferred include Ordinance 279 passed by the Board of Supervisors of the County of Fresno on October 11, 1929; a certificate of public convenience and necessity granted by the Railroad Commission by Decision No. 38536, dated December 14, 1945; Lots 38 and 39 in Block 7 of Calwa townsite; and a water distribution system now used to distribute water in the Town of Calwa, including all underground mains and pipe beginning at the intake located immediately northeast of the main line of the Santa Fe Railway in the vicinity of Vine Avenue; also including all valves, hydrants, meters, one Ford truck, a well, pumping equipment, connection line, pressure tank and regulator.

It appears that the Calwa water system formerly was owned and operated by J. R. Erskine and Helen M. Keller, who also owned a well and other

facilities used to supply water under contract to The Atchison, Topeka and Santa Fe Railway Company. Under authority granted by said Decision No. 38536, they sold the water distribution system to James D. Matthews and Mary A. Matthews under an agreement which provided, among other things, that the purchasers would install a new well, pump and pressure system. Erskine and Keller further agreed, in an agreement dated December 6, 1945, to furnish stand-by service, and in the event of failure of the purchasers' source of supply, to furnish water to them at the rate of 5¢ per 1,000 gallons, for a period of four years.

It appears that the Matthews now desire to retire from their public utility operation and have entered into an agreement dated June 11, 1946, a copy of which is on file in this proceeding as Exhibit "C", to sell the water properties to Robert M. Simpson and Elvera V. Simpson, said properties to include those they formerly acquired from Erskine and Keller; and also the well, pumping and other equipment subsequently installed by them. The so-called stand-by agreement of December 6, 1945, will be assigned to the purchasers.

The agreed purchase price for the property is \$12,250. Of this amount, the purchasers have agreed to pay \$6,950 in cash, and to assume the payment of a note in the present amount of \$5,300, issued by the Matthews under authority granted by Decision No. 38536.

The Commission has considered this matter and is of the opinion that the application should be granted. The authority herein granted shall not be construed to be a finding of value of the properties herein authorized to be transferred. The certificate of public convenience and necessity authorized to be transferred is subject to the provisions of law that the Commission shall have no power to authorize the capitalization of the certificate or the right to own, operate or enjoy such certificate in excess of the amount (exclusive of any tax or annual charge) actually paid to the State as the consideration for the issuance of such certificate of public convenience and necessity or right.

O R D E R

Application having been made for a transfer of public utility water properties, and the Commission having considered the matter and being advised in the premises,

IT IS HEREBY ORDERED as follows:

1. James D. Matthews and Mary A. Matthews may, on or before October 31, 1946, sell and transfer to Robert M. Simpson and Elvera V. Simpson, the properties described in the agreement of sale dated June 11, 1946, a copy of which is on file in this proceeding as Exhibit "C", such sale and transfer to be in accordance with the terms and conditions of said agreement.
2. Robert M. Simpson and Elvera V. Simpson may assume the payment of the outstanding note of \$5,300 referred to in the preceding opinion and in said agreement.
3. If Robert M. Simpson and Elvera V. Simpson acquire said water properties, they are hereby directed to file, on or before the date of acquisition, four (4) copies of the schedule of rates for water service furnished by said properties, which rates shall not be higher in any particular than the applicable rates now on file.
4. If Robert M. Simpson and Elvera V. Simpson acquire said properties, they are hereby directed to file, on or before September 30, 1946, four (4) sets of rules and regulations governing relations with customers, each set to contain a map or sketch, drawn to an indicated scale and about 8½ by 11 inches in size, showing the area served and location thereof relative to surrounding territory.
5. If Robert M. Simpson and Elvera V. Simpson acquire said properties, they are hereby directed to file, on or before September 30,

1946, four (4) copies of a comprehensive map drawn to an indicated scale of not less than 600 feet to the inch, delineating by appropriate markings the area served. Such map shall be reasonably accurate, show source and date, and include sufficient data to determine clearly the location of the various properties comprising the area served. The filing of service area maps shall not be construed as the determination or establishment of the dedicated area of service.

6. Robert M. Simpson and Elvera V. Simpson shall file with the Commission within thirty (30) days after the date of acquisition of the properties under the authority herein granted, a certified copy of each deed of conveyance, a statement indicating the exact date upon which they acquired said properties, and a statement showing the amount of consumers' deposits, if any, the sellers turned over to them for return to consumers.

7. The authority herein granted will become effective upon the date hereof.

Dated at San Francisco, California, this 7th day of July, 1946..

Edward G. Anderson
Justus F. Casper
Arthur W. Brown
Joseph J. Connelley
Harold P. Kelly
 Commissioners