

ORIGINAL

Decision No. 40203

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of LETITIA E. SWAIN, a single woman, :
doing business as RUSSIAN RIVER TERRACE :
WATER COMPANY, Seller, and J. J. DOWNEY, :
Buyer, for an Order approving a sale,)
under which said Buyer is to acquire :
all of the Public Utility Assets of THE :
RUSSIAN RIVER TERRACE WATER COMPANY, :
subject to a Deed of Trust and Chattel :
Mortgage thereon, to secure the balance :
of purchase price.)
-----:)

Application -
No. 28309

OPINION AND ORDER

This is an application for an order of the Public Utilities Commission authorizing Letitia E. Swain to sell and transfer certain public utility water properties to J. J. Downey, and authorizing said Downey to execute a deed of trust and a chattel mortgage and to issue a note for \$9,000 in part payment for said properties.

It appears that Letitia E. Swain is, and for some years has been, engaged in operating a water system, known as the Russian River Terrace Water Company, for the distribution of water to approximately 220 consumers in and in the vicinity of Russian River Terrace, Sonoma County. As of December 31, 1946, she reports her investment in the water properties at \$23,610.08 and the accumulated reserve for depreciation at \$8,841.74, leaving a net book investment of \$14,768.34. For the year 1946 she reported operating revenues of \$3,274.14, operating expenses of \$4,834.48 and a net loss of \$1,560.34.

Applicant Swain now desires to withdraw from the operation of the water system and accordingly has arranged to sell the same to J. J. Downey for the sum of \$12,000, of which amount \$3,000 will be paid in cash and the balance will be represented by a note payable in quarterly installments of \$250.00 with interest at the rate of 4 percent per annum. The payment of the note will be secured by a deed of trust and by a chattel mortgage on the water properties.

The purchaser, J. J. Downey, is engaged in operating water systems elsewhere in Sonoma and Marin Counties, to wit, at Penngrove, Rio Dell, Inverness and Pt. Reyes.

The Commission has considered this application and is of the opinion that a public hearing is not necessary, that the requests of applicants 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 as follows:

1. Letitia E. Swain, after the effective date hereof and on or before July 31, 1947, may sell and transfer to J. J. Downey the public utility water system known as the Russian River Terrace Water Company and referred to herein.

2. J. J. Downey, after the effective date hereof and on or before July 31, 1947, for the purpose of financing in part

the cost of said water system, may issue an installment note for \$9,000, and may execute a deed of trust and a chattel mortgage in, or substantially in, the same form as the note, deed of trust and chattel mortgage filed in this proceeding as Exhibits "B", "C" and "D", respectively.

3. Letitia E. Swain, on or before the date of actual transfer of said water properties, shall refund all deposits which consumers are entitled to have refunded under the utility's filed rates, rules and regulations, and shall file with the Commission, on or before August 31, 1947, a written statement showing disposition of any such deposits, or indicating that no deposits existed. She shall also file a statement indicating the date upon which she relinquished control and possession of said properties.

4. J. J. Downey shall, prior to or concurrently with the acquisition of the said water properties, file with the Commission a letter in which he adopts the rates, rules and regulations which applicant Swain now has on file with the Commission.

5. J. J. Downey shall file with the Commission, on or before August 31, 1947, four (4) copies of a comprehensive map, drawn to an indicated scale of not less than 600 feet to the inch, delineating the area served in and in the vicinity of Russian River Terrace, and its location with reference to source of supply and surrounding territory, such map to show the source and date thereof, and to include data sufficient to determine clearly and definitely the location of the various properties comprising the service area.

6. J. J. Downey shall file with the Commission on or before August 31, 1947, a report of the issue of the note under the authority herein granted, as required by the Commission's General Order No. 24-A, which order, insofar as applicable, is made a part of this order, and a copy of the deed and bill of sale under which he acquired and holds title to the properties.

7. The authority herein granted to issue a note and to execute a deed of trust and a chattel mortgage will become effective when J. J. Downey has paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which fee is Twenty-five (\$25.00) Dollars. In other respects the authority herein granted will become effective twenty (20) days from the date hereof.

8. The action taken herein shall not be construed to be a finding of the value of the properties herein authorized to be transferred.

Dated at San Francisco, California, this 29th day of April, 1947.

Harold D. Hills
Justus F. Green
W. H. ...
A. F. ...
Samuel Potter
Commissioners

