

ORIGINAL

Decision No. 40347

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
J. O. Walser and Theda V. Walser to	:	
Sell and Walter E. Shull, Jr. and)	Application
Althea V. Shull to Buy the Good Hope	:	No. 28424
Water Company.)	
-----	:	

O P I N I O N

This application shows that J. O. Walser and Theda V. Walser, husband and wife, hereinafter sometimes referred to as Sellers, own and operate a public utility water system under the name of Good Hope Water Company. They supply water to residents of Blocks A, B and C of Good Hope Country Club Heights Tract, a residential subdivision four miles west of Perris, Riverside County, California.

Sellers in their 1946 annual report show that they supply water to 16 consumers. The water system consists of a spring, a 125,000 gallon reservoir, about 2,700 feet of pipe of varying diameters, 16 meters and service pipes. They have agreed to sell such water system and the "west half of Lot 48 of Mountain Glen Tract, a subdivision of Section 3, Township 5 South, Range 4 West, S.B.B. & M., and Lots 1, 2, 3 and 4 in Block A of Good Hope Country Club Heights Tract and Lot 28 in Block A of Good Hope Country Club Heights Tract," to Walter E. Shull, Jr. and Althea V. Shull, husband and wife, hereinafter sometimes referred to as Purchasers. The Purchasers have agreed to pay for the properties \$2,500. Of this sum they will pay \$750 in cash and agree to pay

the remainder at the rate of \$50 or more per month until the purchase price is paid, with interest at the rate of five percent per annum, payable quarterly. A copy of the agreement of sale is on file in this application. The agreement provides that the deed and bill of sale conveying the properties will not be delivered until the final purchase price is paid. The agreement is, in effect, a conditional sale contract. Under its terms the Sellers retain title to the properties until they receive the final payment of the purchase price. Under these circumstances, the Sellers should not be permitted to divest themselves of their existing utility responsibility until such time as the payments contemplated by the agreement have been made by the Purchasers and they are entitled by the terms of the agreement to a deed and bill of sale conveying the public utility water properties to them. We will authorize Sellers and Purchasers to enter into the agreement which contemplates the prospective transfer of the public utility water properties. Under our authorization the Sellers must continue to occupy their present responsibility for the rendition of adequate water service at reasonable rates. They may, however, permit the Purchasers to conduct the business in their behalf, they to act as their agents for the duration of the agreement. The Purchasers in-turn may file rates, rules and regulations with the Commission, but must do so as "Agents for the Sellers".

At such time as the Purchasers have complied with the terms of the agreement and the Sellers are prepared to execute and deliver a deed and bill of sale conveying the properties involved, the parties may, by supplemental application, apply to

the Commission for a final order authorizing the sale and transfer of the properties. Until such final order shall have been made by the Commission, the Sellers shall continue to be responsible for the operation of the water system and the possession of the Purchasers will be only that of "Agents for the Sellers".

In the event that the parties do not wish to take advantage of the authorization herein granted, they should feel free to present to the Commission a request to transfer the properties based upon an agreement vesting legal title in the Purchasers, and if they so desire, protect Sellers' interest by requiring that an appropriate note and mortgage be executed in their behalf.

O R D E R

The Commission is of the opinion that this is not a matter on which a hearing is necessary, that the money, property or labor to be procured or paid for by the execution of the agreement of sale herein authorized is reasonably required for the purpose herein stated, which purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income, and that, subject to the conclusions set forth in the foregoing opinion, the application should be granted, therefore,

IT IS HEREBY ORDERED as follows:

1. J. O. Walser and Theda V. Walser, husband and wife, and Walter E. Shull, Jr. and Althea V. Shull, husband and wife, may execute an agreement of sale similar in form to the agreement on file in this application covering the prospective sale and

transfer of the Good Hope Water Company properties, described in this application.

2. During the pendency of the agreement of sale authorized in the preceding paragraph and until supplemental authorization to effect the sale and transfer of said water properties is sought and obtained, Walter E. Shull, Jr. and Althea V. Shull, husband and wife, may take possession of said water properties and operate the same as "Agents for J. O. Walser and Theda V. Walser, husband and wife, owners".

3. Within twenty (20) days after taking possession of said water properties, Walter E. Shull, Jr. and Althea V. Shull, husband and wife, shall file with the Public Utilities Commission a notice that they have adopted the rates, rules and regulations in effect on the date of taking possession, and that said notice and subsequent rate filings and reports shall be filed with the Commission by said Walter E. Shull, Jr. and Althea V. Shull, husband and wife, as "Agents for J. O. Walser and Theda V. Walser, husband and wife, owners".

4. The authority herein granted will become effective when Walter E. Shull, Jr. and Althea V. Shull, husband and wife, or either of them, have paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which minimum fee is Twenty-five (\$25.00) Dollars.

Dated at San Francisco, California, this 3rd day
of June, 1947.

Harold G. ...
Justus J. ...
John H. ...
A. F. ...
Samuel H. ...
Commissioners

