

Decision No. 43181**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 JOHN L. KINSELLA, to transfer, and
 KENNETH L. COE and AMOS T. COE, Jr.,
 co-partners, doing business as
 Coe Bros. Machine Shop, Transferee.

Application No. 30343

OPINION AND ORDER

John L. Kinsella, doing business as Romoland Water System, engaged in supplying domestic water service in and about the unincorporated town of Romoland, Riverside County, located approximately four miles southeast of Perris, asks the Commission for authority to sell and transfer the water system to Kenneth L. Coe and Amos T. Coe, Jr., co-partners, doing business as Coe Bros. Machine Shop, which joins in the application.

The application alleges that John L. Kinsella desires to be relieved of the burden of operating the water system because of illness and he is unable to make repairs to the production and distribution facilities that are now necessary. Since the prospective purchasers are engaged in the business of drilling wells and repairing and installing water distribution systems, they should be well qualified to operate a water system. The application states they are financially able to carry on the operations of the system and to make improvements when necessary.

Under the terms of an oral agreement, the water system will be transferred for the sum of \$5,000, of which \$1,000 is to be paid upon approval of the transaction by the Public Utilities Commission of the State of California, and the remaining \$4,000 is to be represented by a note payable in annual installments of \$500 or more with interest at the rate of 5% per annum.

The 1948 annual report shows the cost of plant and equipment to be about \$25,000. For the same year, the reported operating revenues were \$1,465 and the operating expenses \$1,500. At the end of that year, approximately 65 domestic customers were being served at meter rates, and 15 at flat rates. It appears that a public hearing is not necessary herein and that the application should be granted, subject to certain conditions.

IT IS HEREBY ORDERED that John L. Kinsella, doing business as Romoland Water System, be and he is hereby authorized to sell and transfer to Kenneth L. Coe and Amos T. Coe, Jr., co-partners, doing business as Coe Bros. Machine Shop, that certain public utility water system used in furnishing domestic service to customers in and near the unincorporated town of Romoland, Riverside County, said property being more particularly described in the application herein, and Kenneth L. Coe and Amos T. Coe, Jr., be and they are hereby authorized to execute a deed of trust and to issue a note in the principal amount of \$4,000, payable as indicated herein in part payment for said system, it being the opinion of the Commission that the money, property or labor to be procured or paid for through such issue is reasonably required for the purpose specified herein, and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income.

IT IS HEREBY FURTHER ORDERED as follows:

1. That such transfer shall be made on or before September 1, 1949, and that John L. Kinsella shall file a certified copy of the final instrument of conveyance with this Commission on or before said date;
2. That John L. Kinsella shall file a written statement with this Commission on or before September 1, 1949, indicating the date on which control and possession of said water system were relinquished;
3. That upon compliance with the above order of the Commission, said John L. Kinsella shall be relieved of all public utility obligations and liabilities in connection with said system;

4. That Kenneth L. Coe and Amos T. Coe, Jr., are hereby directed to file on or before September 1, 1949, four copies of rates for water service furnished by this system in and near the unincorporated town of Romoland, Riverside County, which rates shall not be higher, in any particular, than the applicable rates now on file.
5. That Kenneth L. Coe and Amos T. Coe, Jr., shall file with the Commission, on or before September 30, 1949, a copy of the deed of trust and note as actually executed.

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

The authority herein granted will become effective when Kenneth L. Coe and Amos T. Coe, Jr., have paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which fee is \$25.

Dated at San Francisco, California, this 9th day of August, 1949.

R. F. Johnson

W. H. Lawrence

Kenneth L. Coe
Commissioners.

