

ORIGINALDecision No. 44834

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of W. R. CHANNON and CITY OF LIVE OAK for Permission to Sell Channon Domestic Water System to City.
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Application No. 31735

OPINION AND ORDER

In this application, W. R. Channon seeks authority to sell a domestic water system to the City of Live Oak for an agreed price of \$4,200, payable in monthly installments of \$300, with the whole purchase price to be paid on or before June 30, 1951.

Allegedly, W. R. Channon operates a domestic water system, including water storage and supply facilities within the City of Live Oak. From Commission records, it appears that Channon has never filed rates, rules, or regulations with the Commission; nor, except in the instant application, has he ever before sought Commission authorization for any public utility operation. We are not advised, therefore, as to the composition, the extent, or the ownership of the water system, its cost, or its value. The City of Live Oak will purchase all of said system except certain real property, tanks, a well, pumps, and appurtenances which the City will lease from Channon rent-free for a period of one year or until the City will have provided its own facilities, whichever is sooner. The residents of the City have authorized \$160,000 of water bonds for the acquisition of a system, either by purchase or by construction. By this transaction, the City will purchase a domestic water distribution system. In so far as this Commission's authorization may be required under these circumstances and without making any finding as to the public utility

status of the system in question, an appropriate order will be entered authorizing the transfer of the property. The action taken herein shall not be construed to be a finding of the value of the property herein authorized to be transferred.

The approval of transfer of the property is based on the assumption that the application alleges that all present consumers of the Channon Domestic Water System will be included in territory of the City of Live Oak, to be served by said City with both domestic water and fire protection service.

It appearing that the granting of the authority requested will not be contrary to the public interest and that a public hearing is not necessary herein; therefore,

IT IS HEREBY ORDERED that W. R. Channon may, on or after the effective date hereof and before July 1, 1951, sell his water system in accordance with the terms of an agreement dated August 10, 1950, to the City of Live Oak.

The effective date of this order shall be twenty (20) days after the date hereof.

Dated at San Francisco, California, this 26th day of September, 1950.

R. E. Anderson
Justus F. Calver
Dean L. Duce
Harold P. Hild
Messuth Patten
Commissioners.