

Decision No. 44902**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
 DEHARD JOHNSON and VENICE JOHNSON, his  
 wife, to sell, and HALE A. HAMMER and  
 EMMA W. HAMMER, his wife, and CHARLES C.  
 HAMMER to buy the DENAIR WATER WORKS  
 and for the conveyance by the sellers  
 to the buyers of the real property used  
 in the operation thereof.

Application No. 31740

O P I N I O N

In this application, filed September 11, 1950, Dehard Johnson, owner and operator of a public utility water system (Denair Water Works) in and about the town of Denair, California, seeks authority to sell said system to Hale A. Hammer, Emma W. Hammer, and Charles C. Hammer.

The property to be transferred consists of two parcels of land, two pumps and wells, interest in rights of way, pipe lines, and other equipment used in the business of furnishing water for domestic and industrial purposes. The consideration to be paid is the sum of \$19,000, of which \$2,000 has been deposited in escrow on execution of the purchase agreement, \$3,000 is payable on authorization of the sale by the Commission, and the balance is payable in monthly installments of \$400 or more, plus interest at 5% on unpaid balances, until the sum of \$10,000 has been paid, and thereafter, in monthly installments of \$200 or more, plus interest, until the entire amount has been paid. The deferred payment of \$14,000 will be represented by a note secured by a deed of trust and by a mortgage of chattels on the utility property.

The present owner purchased the system in August, 1948, under authority granted by Decision No. 42156, in Application No. 29740, and now desires to withdraw from the water business because the pressure of other engagements prevents giving personal supervision to the water system. Purchasers have reported that they are long-time residents of Stanislaus County, that they are willing and able to manage the operation of the system. Exhibit "E" attached to the application indicates their ability to finance such undertaking.

It appears that the proposed transfer will not be adverse to the public interest, that a public hearing in the matter is not necessary, and that the application should be granted.

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

#### O R D E R

The Commission having considered the above-entitled application and being of the opinion that the request of applicants should be granted, and that a public hearing is not necessary; therefore,

IT IS HEREBY ORDERED that Dehard Johnson, on or after the effective date hereof, and prior to July 1, 1951, may sell and transfer the public utility property referred to herein, known as the Denair Water Works, to Hale A. Hammer, Emma W. Hammer, and Charles C. Hammer, as joint tenants, pursuant to the agreement of sale and purchase filed in this proceeding as Exhibit "A."

IT IS HEREBY FURTHER ORDERED that Hale A. Hammer, Emma W. Hammer, and Charles C. Hammer:

1. After the effective date hereof and prior to July 1, 1951, may issue a note in the principal

amount of \$14,000, payable as indicated herein for the purpose of paying in part for said property and may execute a deed of trust and a mortgage of chattels in substantially the same form as those filed in this proceeding for the purpose of securing payment of said note, 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 therein and that such purpose is not, in whole or in part, chargeable to operating expenses or to income.

2. Shall file with the Commission a report as required by General Order No. 24-A, which order, in so far as applicable, is made a part of this order.
3. Shall file with this Commission, within thirty (30) days after the date of sale authorized herein, a certified copy of the deed by which real property is transferred, and also a written statement indicating the date upon which they assumed control and possession of said water system.
4. Shall refile the rates, rules, and regulations of Dehard Johnson, now legally on file with this Commission, within thirty (30) days after the date of transfer, under the names of Hale A. Hammer, Emma W. Hammer, and Charles C. Hammer (Denair Water Works) in accordance with procedure prescribed by General Order No. 96; or in lieu of such refiling, they shall file a notice of adoption of said presently filed rates. No increase in the present lawfully filed rates, rules, and regulations, shall be made unless otherwise properly authorized by this Commission.

IT IS HEREBY FURTHER ORDERED that on or before the date of actual transfer, Dehard Johnson shall refund all deposits which customers are entitled to have refunded; and that any unrefunded deposits shall be transferred to and become the obligation for refund of Hale A. Hammer, Emma W. Hammer, and Charles C. Hammer (Denair Water Works).

The effective date of this order shall be twenty (20) days after the date hereof, provided applicants, Hale A. Hammer, Emma W.

Hammer, and Charles C. Hammer, jointly, or either of them, have paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which fee is \$25.

Dated at San Francisco, California, this 10th day of October, 1950.

R. E. Indemann  
Justin J. Packer  
Harold Kule  
Herbert Potter  
 Commissioners.

