

ORIGINAL

Decision No. 49237

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
CHARLES L. EAST)
to transfer public utility water)
system known as WEOTT WATER WORKS,)
Weott, Humboldt County, California,)
to EDWARD LEWIS and NELLIE LEWIS.)
-----)

Application
No. 34802

O P I N I O N

This is an application for an order of the Commission authorizing Charles L. East to sell and transfer the Weott Water Works to Edward Lewis and Nellie Lewis, his wife, and authorizing the purchasers to issue a promissory note in the principal amount of \$28,000 and to execute a deed of trust.

The water system to be transferred supplies water to approximately 130 customers in and about the Town of Weott, Humboldt County. The revenues from operations were reported at \$4,426 during 1951 and at \$4,358 during 1952, with net income of \$1,562 during the first of these years and \$1,746 during the second year, before provision for income taxes. The investment in the properties by the present owner is reported at \$30,677.

The application shows that Charles L. East does not reside in the service area, that he is experiencing difficulty in managing the operations from his place of residence which is more than 100 miles from the location of the service area, and that he has made arrangements to dispose of the properties for the sum of \$30,000, of which \$2,000 will be paid in cash and \$28,000 will be represented

by a note, to bear interest at the rate of 6% per annum and to be payable in monthly installments of \$250, including interest. In addition, the terms of the note provide that not more than \$8,000 of the principal amount shall be paid at the rate of \$4 per thousand board feet of timber removed from certain real property owned by the purchasers, said \$8,000 to be paid within five years.

It appears that the purchasers live in or near the service area, that they are familiar with the system and personally will manage the operations and that financially they are in a position to take over and carry on the business. In our opinion the proposed transfer will not be adverse to the public interest.

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

O R D E R

The Commission having considered the above entitled matter and being of the opinion that a public hearing is not necessary, that the application should be granted, as herein provided, that the money, property or labor to be procured or paid for by the issue of the note herein authorized is reasonably required by Edward Lewis and Nellie Lewis for the purpose specified herein, and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

1. Charles L. East may sell and transfer the Weott Water Works to Edward Lewis and Nellie Lewis, on or before March 31, 1954.

2. Edward Lewis and Nellie Lewis may issue a promissory note in the amount of not exceeding \$28,000 for the purpose of paying in part the purchase price of the properties herein authorized to be transferred and may execute a deed of trust to secure the payment of the same, which note and deed of trust shall be in, or substantially in, the same form as those filed in this proceeding.

3. The rates, rules and regulations of Charles L. East now on file with the Commission shall be refiled within 30 days after the date of transfer under the names of Edward Lewis and Nellie Lewis, in accordance with the procedure prescribed by General Order No.96, or, in lieu of such refiling, Edward Lewis and Nellie Lewis may file a notice of adoption of said presently filed rates, rules and regulations. No increase in the present rates shall be made unless authorized by the Commission.

4. On or before the date of actual transfer, Charles L. East shall refund all deposits which customers are entitled to have refunded. Any unrefunded deposits shall be transferred to and become the obligation for refund of Edward Lewis and Nellie Lewis.

5. If the authority herein granted is exercised, Charles L. East, within 30 days thereafter, shall notify the Commission in writing of the date of the completion of the transfer herein authorized and of his compliance with the conditions hereof.

6. Edward Lewis and Nellie Lewis shall file with the Commission a report, or reports, as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

7. The authority herein granted will become effective when Edward Lewis and Nellie Lewis have paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$28.00.

Dated at Los Angeles, California, this 27th day of October, 1953.

R. S. [Signature]
President

Justus D. [Signature]

[Signature]

[Signature]

[Signature]
Commissioners

