

ORIGINAL

Decision No. 50016

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
Walter H. Davis, Jr. and Ruth K.)
Davis, his wife, to sell, and George)
E. Hansen and Elizabeth A. Hansen,)
to purchase the Agnew Water Works,)
at Agnew, Santa Clara County,)
California.)
-----)

Application
No. 35345

O P I N I O N

This is an application for an order authorizing Walter H. Davis, Jr. and Ruth K. Davis to sell the Agnew Water Works to George E. Hansen and Elizabeth A. Hansen.

The system to be transferred supplies water to approximately 100 customers in and about the community of Agnew, Santa Clara County. The 1953 annual report of operations shows the investment in utility plant at \$19,533, the operating revenues for the year at \$4,120, and the utility operating income at \$82, after making deductions of \$888 for depreciation, \$331 for personal income taxes and \$120 for rent.

It appears the present owners have not been in a position to devote their time to the operation of the water system. Therefore, they desire to dispose of the properties and have made arrangements to sell the same, together with certain nonoperative real property improved with a residence, to the Hansens for the sum of \$28,500. The purchasers propose to finance the purchase price in part through the issue to the sellers of a note in the principal amount of \$20,700, payable in monthly installments of \$120 or more with interest at the rate of 6% per annum, said monthly payments to be increased to the sum

of \$150 or more commencing on the first day of May, 1957. The payment of the note will be secured by a deed of trust covering the water system properties. The application shows that the purchasers, in addition, intend to issue to Bank of America National Trust and Savings Association a note in the principal amount of \$2,000, payable in monthly installments of \$50 with interest at 6% per annum, to be secured by another deed of trust on properties other than the water system.

An investigation of this transaction has been made by a member of the Commission's staff. It appears that George E. Hansen intends to devote his time to the operation and maintenance of the system, and is qualified by his experience to do so, and that Elizabeth A. Hansen has had bookkeeping experience and proposes to maintain the records. The investigation discloses that purchasers financially should be in a position to take over the properties and to continue the operations.

The action taken herein shall not be construed to be a finding of the 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 transfer of the water system will not be adverse to the public interest, that the money, property or labor to be procured or paid

for by the issue of the notes herein authorized is reasonably required by applicants Hansen 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. Walter H. Davis, Jr. and Ruth K. Davis may sell and transfer the Agnew Water Works to George E. Hansen and Elizabeth A. Hansen.
2. George E. Hansen and Elizabeth A. Hansen, in financing the acquisition of said water works, may issue a promissory note in the principal amount of not exceeding \$20,700 and a note in the principal amount of not exceeding \$2,000 and may execute deeds of trust, which notes and deeds of trust shall be in, or substantially in, the same form as those filed in this proceeding.
3. The rates, rules and regulations of Walter H. Davis, Jr. and Ruth K. Davis now on file with the Commission shall be re-filed within 30 days after the date of transfer under the names of George E. Hansen and Elizabeth A. Hansen, in accordance with the procedure prescribed by General Order No. 96, or, in lieu of such re-filing, George E. Hansen and Elizabeth A. Hansen 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, Walter H. Davis, Jr. and Ruth K. Davis 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 George E. Hansen and Elizabeth A. Hansen.

5. If the authority herein granted is exercised, Walter H. Davis, Jr. and Ruth K. Davis, within 30 days thereafter, shall notify the Commission in writing of the date of the completion of the transfer herein authorized and of their compliance with the conditions hereof.

6. George E. Hansen and Elizabeth A. Hansen 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 George E. Hansen and Elizabeth A. Hansen have paid the minimum fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$25.00.

Dated at Los Angeles, California, this 11th day of May, 1954.

E. Mitchell

President

Justin F. Caswell

Kenneth Potts

James Higgins

Commissioners

