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Decision No. _____

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of A. R. MAEDE, doing busi-)
 ness as ANDERSON SPRINGS WATER CO., to)
 sell to AUGUST J. VETTER and BEATRICE)
 L. VETTER, his wife, a water system;)
 together with all rights, easements,)
 tools and equipment thereof; and appli-)
 cation of AUGUST J. VETTER and BEATRICE)
 L. VETTER, his wife, to execute to)
 A. R. MAEDE, a trust deed and chattel)
 mortgage on the real and personal)
 property of said ANDERSON SPRINGS WATER)
 CO., in the principal sum of \$6,000.00,)
 repayable at \$43.00 or more per month)
 including interest at the rate of 5%)
 per annum.)

Application No. 38944
 (As Amended)

OPINION AND ORDER

In this application, filed on March 26, 1957, and amended on May 29, 1957, and July 8, 1957, A. R. Maede and Sunta V. Maede^{1/} seek authority to sell, and August J. Vetter and Beatrice L. Vetter^{2/} to purchase, the public utility water system known as Anderson Springs Water Co. in Lake County. Also, Purchasers request authority to execute a promissory note secured by a deed of trust and chattel mortgage to Sellers in the principal sum of \$6,000.

Under the terms of the agreement, dated May 31, 1956, a copy of which is attached to the application, Sellers' water system and certain resort properties are proposed to be transferred by a single transaction. The consideration for the transfer of the water utility properties is stated to be \$15,000, of which \$6,000 is to be paid by a promissory note secured by a deed of trust and a chattel mortgage. The remaining \$9,000 is to be paid partially

^{1/} Sometimes herein called Sellers.
^{2/} Sometimes herein called Purchasers.

by cash and the balance by the transfer to Sellers of certain real property in San Mateo County described as Lot 59 in Block 12 as designated on the map entitled "Tract No. 562, Meadow Glen, San Mateo County."

The personal property, including pipe, equipment, machinery and tools, together with the certificate of public convenience and necessity granted to Sellers by Decision No. 44237, dated May 26, 1950, in Application No. 30997, are to be transferred by a bill of sale, a copy of which is attached to the first amendment to the application.

The agreement further provides for the transfer to Purchasers of certain water rights presently owned by Sellers. The said rights were acquired by Sellers from McKinley Brothers, a corporation, pursuant to the terms of two agreements dated April 22, 1937, and August 30, 1946, copies of which are attached to the application as exhibits.

Sellers reported to the Commission, as of June 30, 1956, a total utility plant amounting to \$15,470.27 with a reserve for depreciation of \$4,304.65, thus indicating a depreciated utility plant of \$11,165.62.

From an investigation by an engineer of the Commission staff it is indicated that Purchasers are capable of financing the acquisition of the subject water system and continuing its operation as a public utility. At the time of the staff engineer's investigation it was learned that the reasons for the proposed transfer are that Sellers are of advanced age and desire to retire from active operation of the system and that Purchasers are able to assume the burden of operating the utility.

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

The Commission having considered the above-entitled application and being of the opinion that the proposed transfer will not be adverse to the public interest, that a public hearing is not necessary, that the money, property or labor to be procured or paid for by the issuance of the note hereinafter authorized is reasonably required by applicants August J. Vetter and Beatrice L. Vetter 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 that:

1. A. R. Maede and Sunta V. Maede, on or after the effective date hereof and on or before March 31, 1958, may sell and transfer all of their public utility properties referred to herein, known as Anderson Springs Water Co., to August J. Vetter and Beatrice L. Vetter pursuant to the terms of the agreement dated May 31, 1956, a copy of which is attached to the application.

2. The rates and rules of A. R. Maede and Sunta V. Maede, doing business as Anderson Springs Water Co., now on file with this Commission, shall be refiled within thirty days after the date of actual transfer under the names August J. Vetter and Beatrice L. Vetter in accordance with the procedure prescribed by General Order No. 96, or, in lieu of such refiling, said August J. Vetter and Beatrice L. Vetter may file a notice of adoption of said presently filed rates and rules. No increases in presently filed rates and rules shall be made unless authorized by this Commission.

3. A. R. Maede and Sunta V. Maede, after the effective date hereof, and on or before March 31, 1958, may issue their promissory note, in the principal amount of \$6,000, secured by a deed of trust and chattel mortgage, substantially in the form of said instruments shown in exhibits attached to the application. A. R. Maede and Sunta V. Maede shall file with this Commission monthly reports as required by General Order No. 24-A, which order, in so far as applicable, is hereby made a part of this order.

4. If the authority to issue a note as herein granted is exercised, August J. Vetter and Beatrice L. Vetter shall, within thirty days thereafter, file with this Commission a certified copy each of the promissory note, the trust deed and mortgage of chattels as actually executed.

5. On or before the date of actual transfer, A. R. Maede and Sunta V. Maede shall refund all customers' deposits and advances for construction which are subject to refund. Any unrefunded deposits and advances for construction shall be transferred to and become the obligation for refund of August J. Vetter and Beatrice L. Vetter.

6. On or before the date of actual transfer, A. R. Maede and Sunta V. Maede shall transfer and deliver to August J. Vetter and Beatrice L. Vetter, and the latter shall receive and preserve all records, memoranda and papers pertaining to the construction and operation of the properties hereinabove authorized to be transferred.

7. If the authority herein granted is exercised, A. R. Maede and Sunta V. Maede shall, within thirty days thereafter, notify this Commission in writing of the date of such completion of the

property transfer herein authorized and of their acceptance of and compliance with all of the conditions hereof.

8. Upon due compliance with all of the conditions of this order, said A. R. Maede and Sunta V. Maede shall stand relieved of all further public utility obligations in connection with the operation of the public utility water system herein authorized to be transferred.

The authority herein granted to issue a note will become effective when August J. Vetter and Beatrice L. Vetter have paid the minimum fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$25. In all other respects, the effective date of this order shall be twenty days after the date hereof.

San Francisco

Dated at ~~San Francisco~~, California, this 11th day of SEPTEMBER, 1957.

[Signature]
President

[Signature]

[Signature]

[Signature]

[Signature]
Commissioners

