

ORIGINALDecision No. 65143

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of MELVIN N. LEEN and)
 CLOEY V. LEEN to purchase, and)
 application of CHARLES S. CAMPBELL)
 and MYRTLE E. CAMPBELL to sell a)
 water system on Oberlin Road,)
 Siskiyou County, California, and)
 to execute and deliver necessary)
 security documents in connection)
 therewith.)

Application No. 44789

Harry A. Hammond, for applicants.
Walter E. Moltke and Sidney J. Webb, for the
 Commission staff.

O P I N I O N

Charles S. Campbell and Myrtle E. Campbell seek authority to sell a public utility water system to Melvin N. Leen and Cloey V. Leen, who seek authority to purchase the system. The Leens also seek authority to issue a promissory note to the Campbells as partial consideration toward the purchase price of the water system and to execute a deed of trust.

A duly noticed public hearing was held in the matter before Examiner Jarvis at Yreka on January 8, 1963, and the matter was submitted on that date.

The water system here involved is located near Yreka in Siskiyou County. It presently has about 26 service connections. Mr. Campbell built the system and formerly operated it himself. He is 69 years old and in poor health. He desires to retire and wants to sell the system. Mr. Leen has been operating the system on his behalf.

On October 30, 1961 the Campbells and Leens entered into an agreement, subject to the approval of this Commission, whereby the Campbells would sell the water system to the Leens for \$9,000. The purchase price was to be paid as follows: the Leens were to transfer to the Campbells 125 shares of the capital stock of Siskiyou Stone, Inc., which is valued at \$2,500. The \$2,500 is to be used to discharge an \$800 debt between the parties and the balance applied toward the purchase price. The remaining balance is to be secured by a promissory note with interest at six percent per annum and payable at the rate of \$75 per month including interest. Subsequently, the parties entered into a supplemental agreement whereby the Campbells agreed to accept the transfer of a deed of trust worth \$4,578 to be applied toward the purchase price. In the period between October 31, 1961 and the date of hearing, the Leens had put into a fund \$75 per month to be applied against the purchase price. If the transfer be approved, there would be owing to the Campbells, as of the date of hearing, not more than \$2,800. At the hearing applicants modified their request for relief herein to seek authority to issue a promissory note secured by a deed of trust on the system for an amount not to exceed \$2,800.

In Decision No. 62091, in Case No. 7000, this Commission declared the system here involved to be a public utility water system, ordered the Campbells to take various actions to improve the system and enjoined the Campbells from supplying water to any additional customers until the system was improved to comply with the provisions of General Order No. 103. The agreement of October 30, 1961 between the Campbells and the Leens recites the fact of Decision No. 62091 and provides for compliance with the

order therein.^{1/} At the hearing, Mr. Leen testified that he understood that, if the requested transfer were authorized, the Leens would have to comply with the Commission's order in Decision No. 62091.

The Commission makes the following findings of fact:

1. The proposed transfer of the water system here involved would not be adverse to the public interest.

2. The order in Decision No. 62091, in Case No. 7000, should remain in full force and effect, and Melvin N. Leen and Cloey V. Leen should be authorized to acquire the water system subject to being bound by the terms of that order.

3. Melvin N. Leen and Cloey V. Leen should be authorized to issue to Charles S. Campbell and Myrtle E. Campbell a promissory note in an amount not to exceed the sum of \$2,300, with interest at the rate of six percent per annum, payable in monthly installments of \$75 including principal and interest, said note to be secured by a deed of trust on the water system here involved on the standard deed of trust form of the Siskiyou County Title Insurance Company. The money, property or labor to be procured or paid for by the issue of the promissory note herein authorized is reasonably required for the purpose specified herein, which purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income.

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

^{1/} The agreement between the parties adjusts the costs of compliance as between them. This is a private matter between the parties and will not be passed upon herein.

O R D E R

IT IS ORDERED that:

1. Within one hundred twenty days after the effective date of this order, Charles S. Campbell and Myrtle E. Campbell may sell and transfer their public utility water system to Melvin N. Leen and Cloey V. Leen. After the transfer of the aforesaid water system, Melvin N. Leen and Cloey V. Leen shall be bound by the provisions of the order in Decision No. 62091, in Case No. 7000.

2. On or before the date of actual transfer, Charles S. Campbell and Myrtle E. Campbell shall refund all customers' deposits and advances held by them. Within ten days thereafter, sellers shall advise this Commission, in writing, that such refunds have been made.

3. Within thirty days of the actual transfer, Melvin N. Leen and Cloey V. Leen shall notify this Commission, in writing, of the date upon which the transfer was consummated.

4. On or before the date of actual transfer, Charles S. Campbell and Myrtle E. Campbell shall transfer and deliver to Melvin N. Leen and Cloey V. Leen, and the latter shall receive and preserve, all records, memoranda and papers pertaining to the construction and operation of the properties herein authorized to be transferred.

5. Upon completion of the sale and transfer herein authorized and all of the terms and conditions of this order, Charles S. Campbell and Myrtle E. Campbell shall stand relieved of their public utility obligations and liabilities in connection with the utility water system herein authorized to be transferred.

6. Within thirty days after the date of actual transfer, Melvin N. Leen and Cloey V. Leen shall file with this Commission a notice of adoption of sellers' present tariff schedules.

7. Melvin N. Leen and Cloey V. Leen for the purpose set forth in this proceeding may issue to Charles S. Campbell and Myrtle E. Campbell a promissory note in an amount not to exceed \$2,800, bearing interest at the rate of six percent per annum, and payable in monthly installments of \$75 including principal and interest. Said note may be secured by a deed of trust upon the water system here involved on the standard deed of trust form of the Siskiyou County Title Company.

The authority herein granted to issue a note will become effective when Melvin N. Leen and Cloey V. Leen 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 from the date hereof.

Dated at San Francisco, California, this 26th day of MARCH, 1963.

George G. Grover
President

Edward W. [unclear]

Frederick B. Halperoff

Salomon W. [unclear]
Commissioners

