

Decision No. 22063**ORIGINAL**

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 A. SORENSEN and NIKOLINE SORENSEN }
 to sell and George Kerry to buy a } Application No. 16221.
 public utility water system. }

Philip J. Noerager, for applicants.

BY THE COMMISSION:

OPINION

Applicants, Andrew Sorensen and Nikoline Sorensen, individuals engaged in the business of pumping, storing and distributing water, as a public utility in the vicinity of East Twentieth Street and Twenty-fifth Avenue, Oakland, ask permission to sell their public utility properties to George Kerry, pursuant to the terms of the agreement of sale filed in this proceeding as Exhibit "A".

It appears from the record in this proceeding that George Kerry is also engaged in the business of producing and disposing of water as a public utility, his water plant being known as the "Melrose Boulevard Tract Water Plant."

The properties which A. Sorensen and Nikoline Sorensen have agreed to sell to George Kerry comprise some non-public utility properties, as well as their public utility water system. The non-public utility property consists of a dwelling house and the real property on which the same is situated.

The consideration which George Kerry has agreed to pay for the properties of the vendors is \$10,000.00, payable in monthly installments of \$100.00 with interest at the rate of 7 percent per annum.

Title to the properties will not be transferred until \$3,000.00 has been paid on the purchase price. Upon the receipt of \$3,000.00, the vendors will transfer the properties to the purchaser who will issue to them his note for \$7,000.00 payable in monthly installments of \$100.00 with interest at the rate of 7 percent per annum. The payment of the \$7,000.00 note will be secured by a mortgage or deed of trust, which will be a lien on the properties conveyed. A copy of the proposed mortgage and deed of trust which applicants desire to execute are filed in this proceeding as Exhibit "C".

The operating revenues of the A. Sorensen Water System for the year ending December 31, 1929 are reported at \$2,265.51 and the operating expenses at \$1,668.34, leaving a net operating revenue of \$597.17.

It appears from the record that Andrew Sorensen is desirous of retiring from active business and for that reason he asks permission to sell his public utility properties. It further appears that the purchaser is experienced and capable in the operation of water plants and that he is financially able to operate successfully the A. Sorensen Water System in addition to the Melrose Boulevard Tract Water Plant, which he now owns and operates.

O R D E R

A. Sorensen and Nikoline Sorensen having asked permission to sell their public utility water system described in this application to George Kerry, the Commission having considered such request and being of the opinion that this is not a matter in which a hearing is necessary and that this application should be granted, subject to the provisions of this order, therefore,

IT IS HEREBY ORDERED AS FOLLOWS:

- (1) A. Sorensen and Nikoline Sorensen, husband and wife,

may sell their public utility water system to George Kerry, which sale is to be made pursuant to the terms and conditions of the agreement of sale filed in this proceeding as Exhibit "A", which agreement said A. Sorensen and Nikoline Sorensen, and said George Kerry may execute on or before May 1, 1930, provided that the consideration which said George Kerry has agreed to pay for said properties shall not be urged before this Commission as determining the value of said properties for any purpose other than the transfer herein authorized.

(2) George Kerry, upon the acquisition of the public utility water properties, may execute a mortgage or deed of trust, or deed of trust substantially in the same form as the mortgage/filed in this proceeding as Exhibit "C", provided that the authority herein granted to execute said mortgage or deed of trust, is for the purpose of this proceeding only and is granted only insofar as this Commission has jurisdiction under the terms of the Public Utilities Act, and is not intended as an approval of said mortgage or deed of trust as to such other legal requirements to which said mortgage or deed of trust may be subject.

(3) The authority herein granted to transfer the properties and execute a mortgage or deed of trust will become effective when George Kerry has paid the minimum fee required by Section 57 of the Public Utilities Act, which minimum fee is \$25.00.

(4) George Kerry shall continue, if he acquires the public utility water system of A. Sorensen and Nikoline Sorensen, to operate such system under the rates, rules and regulations charged and established by A. Sorensen and Nikoline Sorensen, until such time as he is authorized by this Commission to change said rates, rules and regulations.

(5) Within thirty days after taking possession of the

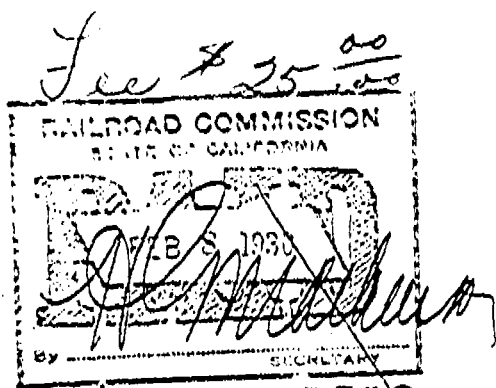
aforesaid properties, George Kerry shall file with the Commission a statement showing the date on which he took possession of said properties.

(6) The authority herein granted will become effective ten days after the date hereof.

DATED at San Francisco, California, this 30th day of January, 1930.

Al Seaver
Ernest C. ...
Leon ...
How ...

Commissioners.



Fee # 27598