

ORIGINAL

Decision No. 49239

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of)
WALTER SEWALL, and JOHN P.)
BORELLO and LETITIA M.)
BORELLO, his wife,)
for Order Authorizing Sale and)
Encumbrance of Public Utility)
Property known as Del Rey Water)
System.)
-----)

Application
No. 34749

O P I N I O N

This is an application for an order of the Commission authorizing Walter Sewall to sell and transfer the Del Rey Water System to John P. Borello and Letitia M. Borello, his wife, and authorizing the purchasers to execute a deed of trust and a mortgage of chattels and to issue a note in the principal amount of \$12,500.

The water system to be transferred supplies water to approximately 180 customers in and about the Town of Del Rey, Fresno County. The revenues from operations were reported at \$5,169 during 1951 and at \$5,314 during 1952, with net income of \$2,018 during the first of these years and \$2,108 during the second year, before provision for income taxes. The original cost of the water system to the present owner is reported at \$18,000.

Applicant Sewall now reports that he no longer is able to attend to the operation and maintenance of the properties, that the income realized therefrom does not warrant turning the operation over to hired employees, and that therefore he desires to dispose of

the system and has made arrangements to sell it to John P. Borello and Letitia M. Borello for the sum of \$22,500, which is estimated to be the present value. Of the purchase price, the sum of \$10,000 will be paid in cash and the remainder will be represented by a promissory note in the principal amount of \$12,500, bearing interest at the rate of 5% per annum and providing for principal repayments in monthly installments of \$150, or more. The payment of the note will be secured by a deed of trust and by a mortgage of chattels.

The verified application and an investigation by a member of the Commission's staff indicate that the purchasers financially are in a position to take over and to continue the operations and that there will be no change in service. In our opinion the transfer will not be adverse to the public interest and we will enter our order approving the same.

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.

ORDER

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 John P. Borello and Letitia M. Borello 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 Sewall may sell and transfer the Del Rey Water System to John P. Borello and Letitia M. Borello, on or before March 31, 1954.

2. John P. Borello and Letitia M. Borello may issue their promissory note in the principal amount of not exceeding \$12,500 in part payment for said water system and may execute a deed of trust and a mortgage of chattels, which note, deed of trust and mortgage of chattels shall be in, or substantially in, the same form as those filed in this proceeding as Exhibit D, Exhibit E, and Exhibit F, respectively.

3. The rates, rules and regulations of Walter Sewall now on file with the Commission shall be refiled within 30 days after the date of transfer under the names of John P. Borello and Letitia M. Borello, in accordance with the procedure prescribed by General Order No. 96, or, in lieu of such refiling, John P. Borello and Letitia M. Borello 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 Sewall 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 John P. Borello and Letitia M. Borello.

5. If the authority herein granted is exercised, Walter Sewall, 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. John P. Borello and Letitia M. Borello 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 John P. Borello and Letitia M. Borello 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 27th day of October, 1953.

R. F. Johnson
President

Justus J. Calver
Lawrence J. Patten
John E. Mitchell
Gene Rogers
Commissioners

