

ORIGINAL

Decision No. 53129

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Paul F. Porter
and Peggy K. Marquard, dba
Rancho Del Monte Water Company
for authority to transfer the
water system to Clayton B. and
Dorothy M. Neill.

Application
No. 37983

O P I N I O N

This is an application for an order (1) authorizing Paul F. Porter and Peggy K. Marquard to transfer the Rancho Del Monte Water Company to Clayton B. Neill and Dorothy M. Neill, and (2) authorizing Clayton B. Neill and Dorothy M. Neill to execute a deed of trust and a mortgage of chattels and to issue a note in the principal amount of \$10,000.

Information on file with the Commission shows that Paul F. Porter and Peggy K. Marquard were certificated by Decision No. 39971, dated February 11, 1947, to construct, maintain, and operate a public utility water system in certain tracts of land in Carmel Valley, Monterey County, and that thereafter they filed their schedule of rates and undertook to distribute water, primarily for domestic use. The latest annual report to the Commission shows 125 active service connections at the end of 1955, and gross revenues during the year of \$7,728, with net operating revenues of \$2,161 before owners' withdrawals and provision for taxes on income.

In presenting this application to the Commission, applicants report the original cost of the water works facilities at \$63,004.88 and the accumulated depreciation reserve at \$14,614.54,

leaving a net balance of \$48,390.34. It appears that applicants Porter and Marquard, however, desire to withdraw from the utility operations in order to devote their time to other interests, and that they are willing to dispose of their public utility holdings for a sum much less than the reported book figures. Accordingly, they have made arrangements to sell the utility system to the Neills for the sum of \$15,000, of which \$5,000 has been paid upon execution of the agreement of sale, and \$10,000 will be represented by a note payable on or before December 28, 1957, with interest on deferred balances at the rate of 5% per annum, payment to be secured by a deed of trust and a mortgage of chattels covering the water properties.

Investigation shows that Clayton B. Neill is experienced in the water business and is now the owner and operator of two water utilities located not far from Rancho Del Monte Water Company, and that he is in a position to take over and to operate the water system here under review. Upon considering the matter we are of the opinion, and so find, that the transfer as proposed will not be adverse to the public interest.

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 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 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. Paul F. Porter and Peggy K. Marquard may transfer the Rancho Del Monte Water Company to Clayton B. Neill and Dorothy M. Neill, such transfer to be completed on or before October 31, 1956.
2. Clayton B. Neill and Dorothy M. Neill, in part payment for said water system, may issue a note in the principal amount of not exceeding \$10,000 and may execute a deed of trust and a mortgage of chattels to secure its payment, which note, deed of trust, and mortgage of chattels shall be in, or substantially in, the same form as those filed in this proceeding.
3. The rates, rules and regulations of Paul F. Porter and Peggy K. Marquard now on file with the Commission shall be refiled within 30 days after the date of transfer under the names of Clayton B. Neill and Dorothy M. Neill, in accordance with the procedure prescribed by General Order No. 96, or in lieu of such refiling, Clayton B. Neill and Dorothy M. Neill 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, Paul F. Porter and Peggy K. Marquard 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 Clayton B. Neill and Dorothy M. Neill.
5. If the authority herein granted is exercised, Clayton B. Neill and Dorothy M. Neill, within 30 days thereafter, shall notify

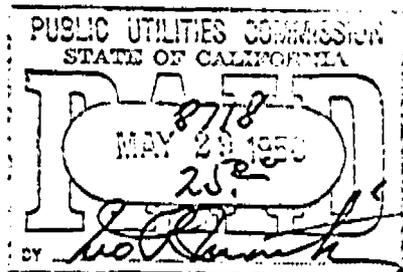
the Commission in writing of the date of completion of the transfer herein authorized and shall file a certified copy of the deed of conveyance.

6. On or before the date of actual transfer, Paul F. Porter and Peggy K. Marquard shall transfer to Clayton B. Neill and Dorothy M. Neill all existing records in their possession relating to the cost of tangible properties herein authorized to be transferred and to the computation of the depreciation reserve accrued thereon, or certified copies of such records.

7. Clayton B. Neill and Dorothy M. Neill shall file a report of the issue of the note herein authorized, as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order. At the same time they shall file a report showing the journal entries used to set up on their books of account the acquisition of the properties herein authorized to be transferred.

8. The authority herein granted will become effective when Clayton B. Neill and Dorothy M. Neill have paid the minimum fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$25.00.

Dated at San Francisco, California, this 28th day of May, 1956.



President
Justin J. Calves
Rafael Gutierrez
William J. Love
B. H. Huidy
Commissioners