

LM

Decision No. 14373.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application of )  
ANTON J. RONSHEIMER WATER SYSTEM AND )  
UTILITY for an order authorizing the )  
issuance of promissory notes for in- )  
debtedness and to secure the same by )  
deed of trust. )

Application Number 10646

F. A. Meyer, for Applicant.

BY THE COMMISSION:

O P I N I O N

In this application the Railroad Commission is asked to make an order authorizing Anton J. Ronsheimer to execute a deed of trust and to issue his promissory notes in the aggregate amount of \$7,500.00 for the purpose of refunding indebtedness and of financing the cost of extensions, additions and betterments.

The record shows that applicant, Anton J. Ronsheimer, under the firm name and style of Anton J. Ronsheimer Water System and Utility, is engaged in supplying water for domestic purposes in and about the town of Penngrove, Sonoma County, serving about fifty-four consumers. Applicant reports his revenues and expenses for the years 1922 and 1923 and for the first eight months of 1924 as follows:-

<u>Year</u>	<u>Revenues</u>	<u>Expenses</u>	<u>Net Revenues</u>
1922	\$ 685.76	\$ 656.87	\$ 28.89
1923	1,108.19	1,020.34	87.85
1924-8 mos.	831.11	701.30	129.81

By Decision Number 9940, dated December 29, 1921 (Volume 21, Opinions and Orders of the Railroad Commission of California, page 30) the Commission adjusted applicant's rates. In that decision it is recited that Mr. John Spencer, one of the Commission's assistant hydraulic engineers, made an investigation, inventory and appraisal of the system and estimated the original cost at \$3,969.00. Since the date of the appraisal applicant reports that he has made extensions, additions and betterments to the system of \$6,177.14, which amount is segregated as follows:-

<u>Item</u>	<u>1922</u>	<u>1923</u>	<u>1924</u>	<u>Total</u>
Well, pipe and fixtures	\$ -	\$ 82.21	\$2,361.43	\$2,443.64
Meters . . . . .	158.00	64.00	129.71	351.71
Pipe . . . . .	349.11	-	1,476.68	1,825.79
Cement meter boxes . .	34.20	15.00	23.89	73.09
Pipe fittings . . . .	34.00	122.45	115.02	271.47
Labor . . . . .	57.00	68.82	600.00	725.82
Electric wiring and auto- matic starter . . . .	5.42	307.07	173.13	485.62
<b>Total . . . . .</b>	<b>\$ 637.73</b>	<b>\$659.55</b>	<b>\$4,879.86</b>	<b>\$6,177.14</b>

At the hearing held in this matter before Examiner Fankhauser on December 15, 1924, applicant reported that at that time he had approximately \$6,300.00 of indebtedness outstanding which represented moneys borrowed and used for additions and betterments. He reports that during the year he found it necessary to drill a new well 121 feet deep to augment his water supply and to equip the well with a 10 H.P. motor, a pump and construct a four inch pipe line from the well to the tanks. The new pump is automatically controlled. The cost of operating the new pump and well is materially less than the old which is used only for emergency purposes.

It appears that applicant is the owner of the property, both of a public utility and non-public utility nature, all of which is encumbered by a mortgage to Sonoma County National Bank. He desires at this time to segregate his indebtedness, to execute a new deed of trust, which will be a lien on his public utility properties only, and to issue at this time \$6,000.00 of five year six percent.

notes to refund, in part, that portion of his existing indebtedness which had been incurred in making additions and betterments to his water system.

Applicant has filed with the Commission in this proceeding a copy of his proposed deed of trust, which appears to be in satisfactory form. The instrument is designed to secure the payment of the notes of \$6,000.00 and additional notes of up to \$1,500.00 which, if issued, will have terms and conditions similar to those of the \$6,000.00 notes. Applicant proposes to issue such additional notes from time to time to pay for additions and betterments. As no showing is made at this time of the specific purposes for which the \$1,500.00 will be used, the order herein will provide that the proceeds from \$1,500.00 of notes may be expended only as hereafter authorized.

#### O R D E R

Anton J. Ronsheimer, doing business under the firm name and style of Anton J. Ronsheimer Water System and Utility, having applied to the Railroad Commission for permission to execute a deed of trust and to issue his promissory notes in the aggregate face amount of \$7,500.00, a public hearing having been held and the Railroad Commission being of the opinion that the application should be granted as herein provided, and that the money, property or labor to be procured or paid for by such issue of notes is reasonably required for the purposes specified herein, and that the expenditures for such purposes are not in whole or in part reasonably chargeable to operating expense or to income,

IT IS HEREBY ORDERED that Anton J. Ronsheimer, doing business under the firm name and style of Anton J. Ronsheimer Water System and Utility be, and he is hereby, authorized to execute a deed of trust

substantially in the same form as that filed in this proceeding, and to issue not exceeding \$7,500.00 of six percent. promissory notes, payable on or before five years after the date of this order.

The authority herein granted is subject to the following conditions:-

1. Applicant may use the proceeds from \$6,000.00 of the notes herein authorized to refund outstanding indebtedness incurred in making additions and betterments to his water system.
2. The proceeds from \$1,500.00 of the notes herein authorized may be used only for such purposes as the Commission may hereafter indicate in supplemental orders.
3. The authority herein granted to execute a deed of trust is for the purpose of this proceeding only, and is granted <sup>only</sup> /in so far as this Commission has jurisdiction under the terms of the Public Utilities Act and is not intended as an approval of such deed of trust as to such other legal requirements to which said deed of trust may be subject.
4. Within thirty days after the issue of the notes herein authorized, a verified report shall be filed with the Commission in accordance with the Railroad Commission's General Order No. 24, which order in so far as applicable, is made a part of this order.

5. The authority herein granted will become effective when applicant has paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which fee is \$25.00.

DATED at San Francisco, California, this 17<sup>th</sup> day of December, 1924.

C. Deane

Dwight Martin

J. T. Whittney  
Commissioners.

RAILROAD COMMISSION  
STATE OF CALIFORNIA  
DEC 17 1924  
By A. T. Anderson  
SECRETARY