

Decision No. 18450

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 O. P. MILLS)
 for permission to borrow \$3,000.00)
 on note secured by deed of trust)
 and chattel mortgage.)

ORIGINAL
 Application No. 13749.

BY THE COMMISSION:

OPINION AND ORDER

In this petition O. P. Mills asks permission to execute a deed of trust and a chattel mortgage and to issue a promissory note in the principal amount of \$3,000.00 for the purpose of liquidating outstanding liabilities.

It seems that O. P. Mills, doing business under the firm name and style of Willow Glen Water Works, is engaged in supplying water for domestic purposes in the Willow Glen School District, near San Jose, serving about 315 consumers. In his annual financial reports filed with this Commission for the last three years applicant reports his revenues and expenses from his operations as follows:-

<u>Item</u>	<u>1924</u>	<u>1925</u>	<u>1926</u>
Operating revenues	\$3,327.73	\$5,298.45	\$5,888.82
Operating expenses	<u>1,220.00</u>	<u>1,015.90</u>	<u>966.00</u>
Net revenues	<u>\$2,107.73</u>	<u>\$4,282.55</u>	<u>\$4,922.82</u>

Applicant reports his investment in fixed capital at the close of 1926 at \$44,726.79 and his outstanding liabilities, consisting of open account indebtedness, at \$3,509.00. It appears that during the year O. P. Mills extended his service to about 115 new consumers and found it necessary to expend \$10,571.35 in installing about four miles of three and one half inch welded tubing, additional meters to take care of the new services, and a 4,000 gallon steel pressure tank. The outstanding liabilities represent amounts incurred for these purposes and not yet paid.

To liquidate in part the outstanding indebtedness O. P. Mills now proposes to execute a chattel mortgage and a deed of trust to secure the payment of \$3,000.00 to be evidenced by a promissory note payable on or before twelve months after date of issue with interest at not exceeding seven percent per annum. Permission is sought to renew the note, or any portion thereof unpaid upon maturity, for a further period of one year.

We have given consideration to this matter and are of the opinion that this is a matter in which a public hearing is not necessary and that the proposed chattel mortgage and deed of trust are in satisfactory form and that the money, property or labor to be procured or paid for through the issue of the note herein authorized is reasonably required for the purpose specified herein and that the expenditures for such purpose are not in whole or in part reasonably chargeable to operating expense or to income, therefore,

IT IS HEREBY ORDERED that O. P. Mills, doing business under the firm name and style of Willow Glen Water Works, be, and he hereby is, authorized to execute a chattel mortgage and a deed of trust substantially in the same form as those attached to the

application herein and to issue a promissory note in the principal amount of \$3,000.00, payable on or before twelve months after date of issue with interest at not exceeding seven percent per annum, and to renew such note, or any portion thereof, upon maturity, for a further period of not exceeding one year with interest at not exceeding seven percent per annum.

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

1. The moneys to be obtained through the issue of the \$3,000.00 note shall be used by applicant to pay in part the outstanding indebtedness referred to herein.
2. The authority herein granted to execute a chattel mortgage and a deed of trust is for the purpose of this proceeding only and is granted only insofar as this Commission has jurisdiction under the Public Utilities Act and is not intended as an approval of such mortgage or deed of trust as to such other legal requirement to which such mortgage and deed of trust may be subject.
3. Within thirty (30) days after the issue of the note herein authorized applicant shall file with the Commission, a certified statement showing the issue of the note and the disposition of the proceeds, as required by the Railroad Commission's General Order No. 24, which order insofar as applicable, is made a part of this order.

4. The authority herein granted shall become effective when applicant has paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which fee is Twenty-five (\$25.00) Dollars.

DATED at San Francisco, California, this 10th
day of June, 1927.

H. H. Brundage
C. Seamy

Thos. S. Powell

Commissioners.

Fee \$25.00
RAILROAD COMMISSION
STATE OF CALIFORNIA
JUN 9 1927
Alvin M. ...
Fee \$ 3.15