

LEEM

Decision No. 19364.

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
A. B. PERKINS, JOSEPH D. O'BRIEN )  
and )  
AGNES K. O'BRIEN, )  
for authority to mortgage Newhall )  
Water System. )

Application No. 14372

BY THE COMMISSION:

O P I N I O N

In this application A. B. Perkins, Marguerite Perkins, Joseph D. O'Brien and Agnes K. O'Brien, as co-owners of a public utility water system known as the Newhall Water System, ask permission to execute a second mortgage on said water system to secure the payment of a \$2,373.46 note, payable in monthly installments of \$100., with interest on unpaid balances at the rate of eight percent per annum. They also ask permission to issue the note.

The Newhall Water System supplies water for domestic purposes in and about the Town of Newhall, Los Angeles County. The system furnishes water to about 220 consumers. For 1926 the operating revenues of the system amounted to \$6,031.26. In a financial statement attached to the application the investment in the plant and properties, as of December 1, 1927, is reported at \$60,162.42, and the liabilities and other credit balances, as of the same date as follows:-

Notes payable . . . . .	\$20,500.00	
Accounts payable . . . . .	2,373.46	
Other accounts . . . . .	<u>1,013.34</u>	
Subtotal . . . . .		\$23,886.80
Reserve for depreciation . . . . .		3,280.65
Consumers advances for construction . . . . .		8,913.13
Net worth . . . . .		<u>24,081.84</u>
Total . . . . .		<u>\$60,162.42</u>

Applicants report that they had to borrow the \$2,373.40 during 1927 to obtain an additional water supply. It appears that H. Clay Needham furnished them the money with the understanding that they would ask permission to issue to him a note for the sum of \$2,373.46 secured by a second mortgage. The \$2,373.46 was used for the following purposes;-

For new pump . . . . .	\$978.72
For rental of air compressor for testing production of Happy Valley well prior to installing pump . . . . .	116.50
For boring out cylinder stuck in casing, clearing out sand and re-boring well, etc. . . . .	573.76
For labor in pulling pump, setting and rebuilding replacement pump, parts, piping, freight, etc. . . . .	512.93
For new meters and pipe . . . . .	150.00
For interest . . . . .	41.55
Total.....	<u>\$ 2,373.46</u>

The copy of the proposed mortgage securing the payment of the amount was filed in this matter on February 1, 1928 and appears to be in satisfactory form.

ORDER

Application having been made to the Railroad Commission for authority to execute a mortgage and to issue a note, and the Commission being of the opinion that this is a matter in which a public hearing is not necessary and that the application should be granted as herein provided,

IT IS HEREBY ORDERED that A. B. Perkins, Marguerite Perkins, Joseph D. O'Brien and Agnes K. O'Brien be, and they hereby are, authorized to execute a mortgage substantially in the same form as that filed with the Commission on February 1, 1928, and to issue a promissory note, to be secured thereby, in the principal

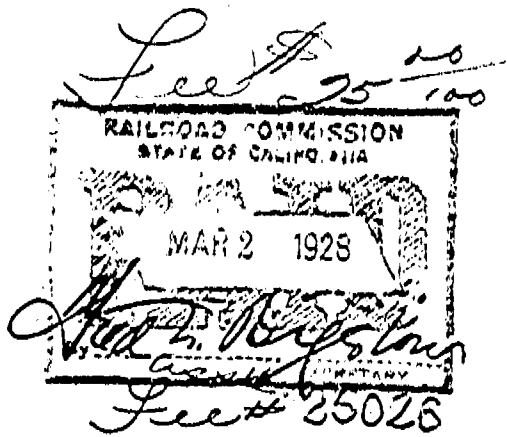
amount of note exceeding \$2,373.46 payable in monthly installments of \$100. with interest on unpaid balances at the rate of not exceeding eight percent per annum, for the purpose of refunding the advances of \$2,373.46 referred to herein.

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

1. The authority herein granted to execute a mortgage 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 said mortgage as to such other legal requirements to which said mortgage may be subject.
2. Applicants shall not, hereafter, urge the Railroad Commission or other public body or court to consider the note herein authorized to be issued, or the rate of interest thereon, in determining the value of the properties or the rate base and rate of return in fixing rates of the water utility.
3. Applicants shall keep such record of the issue of the note herein authorized and of the disposition of the proceeds as will enable them to file, within thirty days thereafter, a verified report, 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 applicants have paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which fee is \$25.00.

DATED at San Francisco, California, this 15<sup>th</sup> day of February, 1928.



*Leon Whidell*  
*W. H. ...*  
*W. H. ...*  
*W. H. ...*  
*W. H. ...*  
Commissioners.