

Decision No. 22731**ORIGINAL**

## BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	}	Application No. 16759
C. H. Graham		
for authority to encumber public utility property.		

Breed, Burpee &amp; Robinson, for applicant.

BY THE COMMISSION:

OPINION

In this proceeding the Railroad Commission is asked to make an order authorizing C. H. Graham to execute a deed of trust and chattel mortgage to secure the payment of a three year eight percent note for \$1,750.00 which he asks permission to issue.

The application shows that C. H. Graham is engaged in the business of selling water for domestic consumption to approximately fifty families in what is known as the Junction City Tract, lying between Foothill Boulevard and East Fourteenth Street in the vicinity of 150th Avenue in the unincorporated territory in the County of Alameda between the Cities of San Leandro and Hayward. In his 1929 annual report to the Commission, Mr. Graham sets forth his investment in plant and equipment at \$6,710.00, his gross revenue for the year at \$548.51 and operating expenses at \$275.94.

It appears from the petition that the utility properties include a single lot together with certain rights of way, one well equipped with an electric pump, and distribution facilities.

It is alleged that the capacity of the present equipment has been reached and that additional facilities are needed because of the continued building of houses in the tract served and because standby equipment is necessary in the event of any shutdown of the present well and pump. Applicant therefore proposes to sink an additional well, install an electric pump, construct a pump house and make miscellaneous extensions of lines.

The estimated cost of the improvements is \$1,750.00, divided as follows:

Sinking well.....	\$ 300.
Erecting pump.....	300.
Purchase and installation of electric pump.....	1,000.
Miscellaneous extensions.....	<u>150.</u>
Total.....	<u>\$1,750.</u>

It is proposed by applicant to borrow not exceeding \$1,750.00 to pay the cost of the improvements and to that end he has made arrangements to issue to California Mutual Building and Loan Association his note for \$1,750.00 payable in monthly installments on or before three years after date of issue, with interest at the rate of eight percent per annum, <sup>the</sup> payment to be secured through the execution of a deed of trust and chattel mortgage on his properties. A copy of the proposed instrument is filed in this proceeding as Exhibit "A". It appears to be in satisfactory form.

#### ORDER

C. H. Graham having made application for permission to execute a deed of trust and chattel mortgage to secure the payment of a note for \$1,750.00 and to issue such note, the Commission being of the opinion that this is not a matter in which a public hearing is necessary, that the application should be granted, as herein provided, and that the money, property or labor to be procured or paid

for through the issue of the note is reasonably required for the purpose specified herein, which purpose is not, in whole or in part, reasonably chargeable to operating expense or to income,

IT IS HEREBY ORDERED that C. H. Graham be, and he hereby is, authorized to execute a deed of trust and a chattel mortgage substantially in the same form as that filed in this proceeding as Exhibit "A", and to issue a promissory note, secured by said deed of trust and chattel mortgage, in the principal amount of \$1,750.00, payable on or before three years after date of issue in monthly installments with interest at the rate of eight percent per annum, for the purpose of financing the cost of the additions, betterments and improvements referred to herein and in the application.

The authority herein granted is subject to the following conditions:

(1) Applicant shall keep such record of the issue of the note herein authorized and of the disposition of the proceeds as will enable it to file monthly reports, as required by the Railroad Commission's General Order No. 24, which order, insofar as applicable, is made a part of this order.

(2) The authority herein granted to execute a deed of trust and chattel mortgage is for the purpose of this proceeding only, and is granted only insofar as this Commission has jurisdiction under the terms of the Public Utilities Act, and is not intended as an approval of said deed of trust and chattel mortgage as to such other legal requirements to which said deed of trust and chattel mortgage may be subject.

(3) 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 Twenty-five (\$25.00) Dollars.

DATED at San Francisco, California, this 4<sup>th</sup> day of August, 1930.

Clarence  
Edmunds  
Leon White  
Thas B. Pratt

Commissioners.

Fee # 25<sup>00</sup>/<sub>100</sub>  
RAILROAD COMMISSION  
STATE OF CALIFORNIA  
AUG 11 1930  
SECRETARY  
Fee # 28175