

Decision No. 28326

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
SNEIBLE-TAVERNETTI COMPANY,)
a corporation, for "Permit to Execute)
Promissory Note Secured by Deed of)
Trust on Certain Real Estate and Per-)
sonal Property, and for Permit to)
Sell and Convey Certain Real Estate and)
Personal Property.")

ORIGINAL

Application No. 19086

BY THE COMMISSION:

O P I N I O N

In this application the Railroad Commission is asked to make an order authorizing Sneible-Tavernetti Company to execute a deed of trust and to issue a promissory note in the principal amount of \$5,000.00, payable in monthly installments of \$50.00, with interest at the rate of seven percent per annum, and also authorizing it to sell and convey, from time to time, certain real and personal property.

It appears that Sneible-Tavernetti Company is a corporation organized during November, 1914, under the laws of the State of California and that it is engaged in a general retail merchandise business in Monterey County and in the public utility water business in the Town of Gonzales, Monterey County. For the year ending December 31, 1932 it reported its gross revenue from its merchandise sales at \$68,754.72 and from its water sales at \$2,040.75.

The application shows that the company has outstanding, as of August 1, 1933, three notes, secured by mortgages or deeds of trust, payable to Monterey County Trust & Savings Bank, Salinas, in the aggregate principal amount of \$52,630.00, as follows:-

<u>Date of Issue</u>	<u>Date Due</u>	<u>Rate of Interest</u>	<u>Amount</u>
Nov. 11, 1929	Nov. 11, 1930	7 percent	\$22,000.00
Nov. 12, 1931	Nov. 12, 1932	7 percent	20,880.00
May 13, 1932	\$250. monthly	7 percent	<u>9,750.00</u>
Total.....			<u>\$52,630.00</u>

It is alleged that the mortgages or deeds of trust are liens only on non-utility properties.

The company now reports that it is necessary to re-finance in part its outstanding note indebtedness and that in order to pay or refund in part such indebtedness, it has made arrangements with Monterey County Trust & Savings Bank to borrow the sum of \$5,000.00, to be payable in monthly installments of \$50.00 with interest at the rate of seven percent per annum. The payment is to be secured by a deed of trust which will be a lien on the following described property:-

" A portion of Lots ten (10), eleven (11), and twelve (12), in Block XXII as said lots and block are laid down and designated on that certain map entitled 'MAP OF THE TOWN OF GONZALES, Monterey County, Cal., the property of A. & M. Gonzales, surveyed by Chas. Healey, C.E., April 1873' filed April 27, 1874, and now of record in Vol. 1 of Maps 'Cities and Towns', at Page 41 in the office of the County Recorder of the County of Monterey, State of California, particularly described as: Beginning at the point of intersection of the Southwesterly line of Center Street with the Northwesterly line of an alley through said Block XXII and running thence Southwesterly along the line of said alley and the rear of said lots ten, eleven, and twelve, 150 feet to the most Southerly corner of said lot ten; thence at right angles Northwesterly and along the Southwesterly line of lot ten, 50 feet to a point; thence at right angles Northeasterly and parallel with the Southeasterly line of 4th Street, 150 feet to a point on the said Southwesterly line of Center Street; thence Southeasterly and along the last mentioned line, 50 feet to the place of beginning.

TOGETHER with all personal property and improvements thereon, including buildings, pumps, motors, tanks, pipings for distribution, etc., etc.; used in the conduct and operation of the water system for the Town of Gonzales, California, which are used or are useful or necessary in the performance of the applicant's duties or service to the public.

TOGETHER with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in any wise appertaining and the reversion and reversions, remainder and remainders, rents, issues and profits thereof, and all water rights appurtenant thereto or connected therewith, and all the estate, right, title and interest, homestead or other claim or demand, as well at law as in equity, which the Grantor now has or may hereafter acquire of, in or to said property, or any part thereof, with the appurtenances."

The above described property is used by applicant in its public utility operations.

The company, as stated, also asks permission to sell and convey from time to time any or all of said real and/or personal property as may be deemed necessary and proper by its Board of Directors. This Commission will not authorize the sale of public utility property unless it is advised of the ability of the purchaser to continue the public utility service. In this instance we have not been furnished with the name of the purchaser or with the terms and conditions under which the property is to be sold. We believe that applicant's request to sell properties should be dismissed without prejudice. As to the non-utility properties, applicant is advised that under the provisions of Section 51 of the Public Utilities Act it may sell, convey and otherwise dispose of any properties not necessary or useful in the performance of its public utility duties and business, without obtaining permission from this Commission.

Applicant on September 5, 1933 filed with the Commission a copy of its proposed deed of trust. We find the same to be in

satisfactory form.

ORDER

Sneible-Tavernetti Company having applied to the Railroad Commission for permission to execute a deed of trust, to issue a \$5,000.00 note, and to sell and convey property, and the Commission being of the opinion that this is not a matter in which a public hearing is necessary, that the requests to execute a deed of trust and to issue a note should be granted, as herein provided, 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, and that the request to sell and convey properties should be dismissed without prejudice, therefore,

IT IS HEREBY ORDERED, that Sneible-Tavernetti Company, a corporation, be, and it hereby is, authorized to execute a deed of trust substantially in the same form as that filed in this proceeding on September 5, 1933, and to issue its note, to be secured by said deed of trust, in the principal amount of \$5,000.00, payable in monthly installments of \$50.00, with interest at the rate of seven percent per annum, for the purpose of paying or refunding in part, note indebtedness now outstanding, provided;

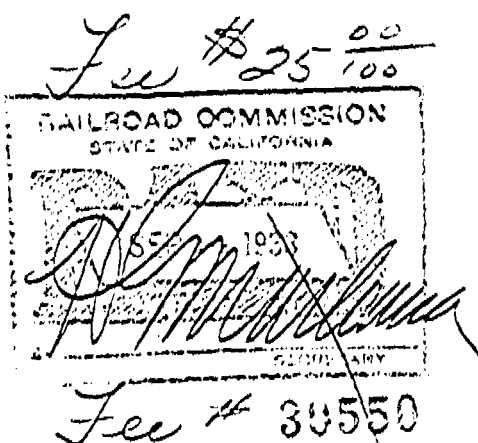
1. That the authority herein granted to execute a deed of trust is for the purpose of this proceeding only, and is granted only insofar as this Commission has jurisdiction under the terms of the Public Utilities Act, and is not intended as an approval of said deed of trust as to such other legal requirements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

2. That applicant keep such record of the issue of the note herein authorized and of the disposition of the proceeds as will enable it to file, within thirty (30) days thereafter, a verified report such as is required by the Railroad Commission's General Order No. 24, which order, insofar as applicable, is made a part of this order; and

3. That 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.

IT IS HEREBY FURTHER ORDERED, that this application insofar as it involves a request for permission to sell and convey properties, except as such sale and conveyance may be necessary to execute said deed of trust, be, and the same is hereby, dismissed without prejudice.

DATED at San Francisco, California, this 11th day of September, 1933.



J. C. Kearney
James A. Whittell
W. J. Carr
M. B. Hamer
W. H. Hart
Commissioners.