

Decision No. 28758

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
JAMES A. GUNN, JR., )  
for an order authorizing him to issue )  
his promissory note and to secure the )  
payment thereof by executing and de- )  
livering to the payee of said note a )  
mortgage upon certain real property. )

Application No. 20495

BY THE COMMISSION:

ORIGINAL

OPINION AND ORDER

This is an application for an order authorizing James A. Gunn, Jr. to execute a mortgage and to issue a promissory note in the principal amount of \$1,188.60 for the purpose of paying outstanding indebtedness and of providing the cost of repairs, to his water properties.

It appears that James A. Gunn, Jr. is engaged in operating a public utility water system supplying some fifty or sixty consumers in and about the Town of Kelseyville, Lake County. His latest annual report on file with the Commission shows properties consisting of two wells, a 35,000 gallon concrete reservoir and 11,350 feet of 1-1/2 to 4-inch pipe lines and a reported investment as of December 31, 1934, of \$8,390.00. The report further shows, for the calendar year 1934, operating revenues from the sale of water at \$653.42 and operating expenses of \$300.00.

Applicant reports that heretofore in the operation and maintenance of his properties he has incurred an indebtedness of \$700. represented by a one-year seven per cent. note now past due, and that the total now owing on said indebtedness, with interest, has increased to \$835.00. He further reports that certain repairs, estimated at \$316.80 must be made to his facilities to make possible the continued maintenance of the service, as he estimates expenses incident to ob-

taining his new loan at \$36.80, the three items aggregating \$1,188.60.

Applicant reports that Home Owners' Loan Corporation has agreed to lend him the said sum of \$1,188.60 conditioned, however, upon receiving from him a promissory note for the amount secured by a first mortgage upon his real estate and improvements. The proposed note will bear interest at the rate of five per cent. per annum, a saving of two per cent on the present interest charge, and will be payable in monthly installments of \$12.62, beginning in May, 1936, and continuing until the total amount has been paid. A copy of the proposed note is filed in this proceeding as Exhibit "A" and a copy of the proposed mortgage as Exhibit "B".

The Commission has considered this application and is of the opinion that it is not a matter in which a public hearing is necessary, that the request of applicant should be granted, as herein provided, and that the money, property or labor to be procured or paid for is reasonably required by applicant for the purpose specified herein, therefore,

IT IS HEREBY ORDERED that James A. Gunn, Jr. be, and he hereby is, authorized to execute a mortgage substantially in the same form as that filed as Exhibit "B" attached to the application herein, and to issue a promissory note in the principal amount of \$1,188.60 payable as set forth herein, for the purpose of obtaining funds to pay the present outstanding note indebtedness of \$700., plus accrued interest, and to provide the cost of repairs and improvements to his water properties and to meet expenses incident to the execution of said mortgage and the issue of said note, all as referred to and described in this opinion and order and in the application herein, provided,

1. That 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 terms of the Public Utilities Act,

and is not intended as an approval of said mortgage as to such other legal requirements to which it may be subject, and

2. That applicant shall keep such record of the issue of the note herein authorized and of the disposition of the proceeds as will enable him to file, on or before the 25th day of each month, 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; 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.

DATED at San Francisco, California, this 27th day of April, 1936.

M. B. Lewis

Leon Aubrey

M. J. Cune

W. H. C. Cune

Frank R. Deery

Commissioners.

Fee \$25.00  
RAILROAD COMMISSION  
STATE OF CALIFORNIA  
APR 29 1936  
J. M. Mutton  
Fee # 37601