

Decision No. 28779

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
R. W. ADCOCK and KATHARINE L. ADCOCK )  
doing business under the firm name )  
and style of ADCOCK WATER CO., for )  
permission to execute a mortgage or )  
deed of trust and chattel mortgage )  
on their public utility water system )  
and to issue a note or other evidence.)

**ORIGINAL**

Application No. 20486

Rosendale, Scott & Thomas, for applicants.

BY THE COMMISSION:

O P I N I O N

This is an application for an order authorizing R. W. Adcock and Katharine L. Adcock, doing business under the firm name and style of Adcock Water Co., to execute a mortgage or deed of trust and a chattel mortgage and to issue a note in a principal amount of not exceeding \$3,000. for the purpose of financing the cost of additions and extensions to their water properties.

Applicants are engaged in the business of supplying water for domestic purposes near Salinas. Their 1935 annual report to the Commission shows service to twenty-five consumers and operating revenues for the year at \$401.44 and net profit at \$296.19. The investment in the water plant is reported at \$3,687.00.

Applicants allege that due to numerous new applications for service they require a loan of from \$2,200.00 to \$3,000.00 to finance the cost of new property and equipment. A description of the proposed installation and the estimated cost thereof has been furnished the Commission and is as follows:-

3,000 feet of 2½" reconditioned block pipe . . . . .	\$750.00
Kimball-Krough turbine deep well pump, capacity 135 gallons per minute . . . . .	725.00
Miscellaneous fittings, connections, valves . . . . .	50.00
25 meters . . . . .	375.00
Additional pipe, fittings, etc. to be installed within the next four months . . . . .	<u>350.00</u>
Total . . . . .	<u>\$ 2,250.00</u>

It is reported that Monterey County Trust & Savings Bank is willing to loan applicants up to \$3,000.00 with payment of the amount to be secured by a mortgage or deed of trust and a chattel mortgage covering the real and personal property comprising the public utility water system. Applicants have filed copies of the proposed instruments which appear to be in satisfactory form.

Although applicants have requested permission to issue a note in an amount not exceeding \$3,000.00 they have made no showing of the necessity of making expenditures in excess of \$2,250.00. The order herein accordingly will provide that in the event applicants issue notes in excess of \$2,250.00 the proceeds realized shall be placed in a special bank account and expended only for such purposes as may be approved in supplemental orders herein.

O R D E R

R. W. Adcock and Katharine L. Adcock having applied to the Railroad Commission for permission to execute a mortgage or deed of trust and a chattel mortgage and to issue a note in an amount of not exceeding \$3,000.00 and the Commission having considered applicant's request and being of the opinion that this is not a matter in which a public hearing is necessary, that the money, property or labor to be procured or paid for through the issue of \$2,250.00 of said note is reasonably required for the purpose specified herein, which purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income, therefore,

IT IS HEREBY ORDERED that R. W. Adcock and Katharine L. Adcock be, and they hereby are, authorized to execute a mortgage or deed of trust and a chattel mortgage, substantially in the same form as those filed in this proceeding, provided that the authority herein given is for the purpose of this proceeding only and is given only insofar as this Commission has jurisdiction under the terms of the Public Utilities Act and is not intended as an approval of said instruments as to such other legal requirements to which they may be subject.

IT IS HEREBY FURTHER ORDERED that R. W. Adcock and Katharine L. Adcock be, and they hereby are, authorized to issue, on or before December 31, 1936, their promissory note, or notes, in the aggregate principal amount of not exceeding \$3,000.00 payable in monthly installments of \$50.00 with interest at the rate of six per cent. per annum, provided (1) that applicants shall use \$2,250.00 of the proceeds to be realized through the issue of the note, or notes, to finance the cost of the additions and extensions referred to in the preceding opinion; and (2) that applicants, in the event they issue, under the authority herein granted, notes in excess of \$2,250.00, shall deposit all proceeds in excess of \$2,250.00 in a special bank account to be withdrawn and expended only for such purpose or purposes as the Commission may hereafter authorize.

IT IS HEREBY FURTHER ORDERED that applicants shall keep such record of the issue of the notes herein authorized and of the disposition of the proceeds as will enable them 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.

IT IS HEREBY FURTHER ORDERED that the authority herein granted will become effective when applicants have 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 May 1936.

W Blainis  
Leon Whately  
W J. Linn  
Walter M. ...  
Grant R. ...  
Commissioners.

Fee \$ 25 <sup>00</sup>/<sub>100</sub>  
PUB. UTIL. COM. CALIF.  
[Signature]  
Fee # 32625