

LM

Decision No. 13609.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
CITIZENS' WATER COMPANY OF NILES,)
California, for an order authorizing)
said petitioner to borrow forty-five)
hundred dollars and to give certain)
security therefor.)

ORIGINAL

Application Number 10060

Oliver Ellsworth, for Applicant.

BY THE COMMISSION:

O P I N I O N

In this application Citizens' Water Company of Niles asks authority to execute a chattel mortgage and to issue to Bank of Alameda County its promissory note in the principal amount of \$4,500.00 for the purpose of financing the cost of extensions, additions, betterments and improvements and of paying indebtedness.

Citizens' Water Company of Niles is engaged in the business of supplying water in and about the Town of Niles for domestic, irrigation, manufacturing and public purposes, serving about 540 consumers. For the year ending December 31, 1922, the company reports gross revenues of \$11,606.66, operating expenses, including depreciation, of \$7,287.43, interest and other deductions of \$339.27 and net profit for the year of \$3,979.96. For the twelve months ending December 31, 1923, the company reports gross revenues of \$12,919.68, operating expenses, including depreciation of \$7,813.32, interest and other deductions of \$272.74 and net profit for the year of \$4,833.62. During both years an eight percent dividend was paid on the outstanding stock.

As of December 31, 1923, applicant reports its assets and liabilities as follows:-

A S S E T S

Fixed capital	\$41,115.60
Cash	621.48
Accounts receivable	458.63
Materials and supplies	320.20
Unamortized discount on stock	8,255.00

Total Assets \$50,770.91

L I A B I L I T I E S

Capital stock outstanding.....	\$26,510.00
Note payable	1,250.00
Accounts payable	105.00
Consumers advances	43.86
Reserve for accrued depreciation...	9,103.12
Corporate surplus	13,758.93

Total Liabilities..... \$50,770.91

The note payable amounting to \$1,250.00 was issued pursuant to authority granted by the Commission by Decision Number 6922, dated December 9, 1919 to pay for pipe lines and laterals. It appears that \$250.00 has been paid on account of the note since the date of the balance sheet, leaving \$1,000.00 at present outstanding. It is proposed to use \$1,000.00 obtained from the note requested in this application to pay this indebtedness, to use \$1500.00 to install a four inch main from the present line between Niles and Dekoto to a box factory, a distance of about 2200 feet ; to use \$1200.00 to install four hydrants and a new four inch main about 1800 feet in length on Front Street in Niles to meet the requirements of the Niles Fire Commission; and to use the remaining \$800.00 to install about 2000 feet of four inch main in Niles Canyon to supply consumers who are now receiving ^{an} inadequate supply of water through smaller mains.

The company reports that it has arranged to borrow the \$4500.00 from the Bank of Alameda County on its promissory note. The note will bear interest at six percent. per annum, will mature in equal quarterly installments of \$250.00 each and will be secured by a chattel mortgage. A copy of the proposed mortgage has been filed in this proceeding as "Exhibit A" and appears to be in satisfactory form.

O R D E R

Citizens' Water Company of Niles having applied to the Railroad Commission for permission to execute a mortgage and to issue a note, a public hearing having been held before Examiner Fankhauser and the Railroad Commission being of the opinion that the application should be granted as herein provided, and that the money, property or labor to be procured or paid for is reasonably required for the purpose or purposes specified herein and that the expenditures for such purpose or purposes are not in whole or in part reasonably chargeable to operating expenses or to income,

IT IS HEREBY ORDERED that Citizens' Water Company of Niles be, and it is hereby, authorized to execute a mortgage substantially in the same form as that filed in this proceeding and marked "Exhibit A", and to issue its six percent. promissory note in the principal amount of \$4500.00 for the purpose of paying the indebtedness and of financing the cost of the extensions, additions, betterments and improvements to which reference is made in the foregoing opinion.

The authority herein granted is subject to further conditions as follows:-

1. The authority herein granted to execute a mortgage is for the purpose of this proceeding only and is granted only in so far as this Commission has jurisdiction under the terms of the Public Utilities Act, and is not intended as an approval of such

mortgage as to such other legal requirements to which said mortgage may be subject.

2. Applicant shall keep such record of the issue and delivery of the note herein authorized and of the disposition of the proceeds as will enable it 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 in so far as applicable, is made a part of this order.
3. The authority herein granted to execute a mortgage and to issue a note will become effective when applicant has paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which fee is \$25.00, but will extend only to such mortgage as may be executed and to such note as may be issued on or before July 31, 1924.

DATED at San Francisco, California, this 24th day of May, 1924.

Fee \$25.00
MAY 26 1924
Charles A. ...

C. Seavey

Egerton Shore

J. T. Whittey
Commissioners.