

LEM

Decision No. 17040.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
CORONA CITY WATER COMPANY, )  
a corporation, for authority to re- )  
fund notes. )

Application No. 12911

Walter S. Clayson, for applicant.

BY THE COMMISSION:

OPINION

Corona City Water Company has applied to the Railroad Commission for an order authorizing it to execute and issue its promissory notes as follows:-

1. A note for \$30,000. in favor of Temescal Water Company due on or before three years from date, with interest at the rate of six percent per annum, payable quarterly, for the purpose of refunding an existing note for a like amount dated December 10, 1925, and

2. A note for \$10,000. in favor of First National Bank of Corona, California, due on or before June 18, 1927, with interest at the rate of six percent per annum, payable quarterly, for the purpose of refunding an existing note for a like amount in favor of said bank dated March 18, 1926.

The application shows that Corona City Water Company is engaged in the business of furnishing and supplying water for domestic purposes to the inhabitants of the City of Corona, Riverside County. It appears that the company obtains its water supply from Temescal Water Company, a mutual corporation, through the ownership of stock of said company.

Prior to December 5, 1924, applicant owned 500 shares of the capital stock of Temescal Water Company. It reports that in order to furnish its customers with an ample supply of water and to provide for the growing needs of the community, applicant found it necessary to acquire additional shares of stock and on December 10, 1924 purchased 200 more shares of stock of Temescal Water Company, issuing in payment therefor its one year six percent promissory note for \$50,000.00 dated December 10, 1924.

On December 10, 1925 applicant renewed the note for a period of one year, without an order from this Commission. It clearly appears, however, from the testimony in this matter, that applicant was unaware of the necessity of obtaining permission from this Commission and issued its refunding note without obtaining permission from the Commission through inadvertence, with no intent to evade the provisions of the Public Utilities Act. Applicant now asks permission to issue a three year note to refund this indebtedness.

Applicant also asks permission to issue a \$10,000.00 note due June 18, 1927, to renew a note in favor of First National Bank of Corona. It appears that on September 19, 1925 applicant issued its promissory note to First National Bank of Corona for \$10,000.00 due 90 days after date with interest at six percent, that such note was thereafter renewed on December 19, 1925 for a period of ninety days and again on March 18, 1926 for a like period. Applicant reports that it is impossible for it to pay the indebtedness at this time and it therefore proposes to renew it again for a period of one year. The record herein indicates that the \$10,000.00 indebtedness originally was carried as an open account indebtedness due Temescal Water Company and represented advances made by that company to applicant over a period of years and used by applicant in the conduct of its business and to pay for extensions, additions and betterments.

O R D E R

Corona City Water Company having applied to the Railroad Commission for permission to issue notes, a public hearing having been held before Examiner Williams, and the Commission being of the opinion that the application should be granted, as herein provided, and that the issue of the notes is reasonably required by applicant for the purposes specified herein,

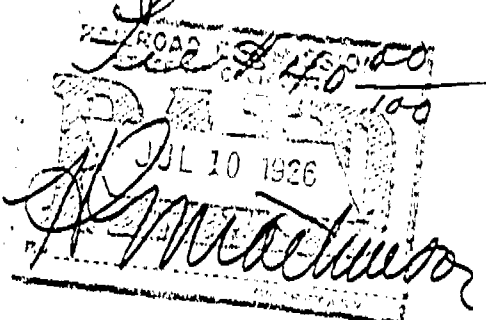
IT IS HEREBY ORDERED that Corona City Water Company be, and it hereby is, authorized to issue its promissory note for \$30,000.00 in favor of Temescal Water Company due on or before three years after date with interest at not exceeding six percent per annum for the purpose of refunding an existing note for a like amount dated December 10, 1925, and to issue its promissory note for \$10,000.00 in favor of First National Bank of Corona due on or before June 18, 1927 with interest at not exceeding six percent per annum for the purpose of refunding an existing note for a like amount dated March 18, 1926.

IT IS HEREBY FURTHER ORDERED that Corona City Water Company shall keep such record of the issue and delivery of the notes herein authorized as will enable it to file within thirty days after such issue and delivery 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 shall become effective when applicant has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is \$40.00.

DATED at San Francisco, California, this 2d day of

July, 1926.



H. H. Brown  
C. Seaver  
Ernest W. Wells