

LEM

Decision No. 17498 .

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
THE HANFORD WATER COMPANY,)
a corporation, for an order permit-)
ting and authorizing it to borrow)
money, to issue and deliver its)
promissory notes therefor, to use)
the proceeds of said loan to pay a)
maturing note and to retire certain)
bonds of the corporation given as)
security for said loan.)

ORIGINAL

Application No. 13240.

Le Roy H. Guntner, for applicant.

BY THE COMMISSION:

OPINION AND ORDER

The Hanford Water Company asks permission to issue its unsecured note for \$4,000.00 payable six months after date with interest at not exceeding seven percent per annum, for the purpose of refunding, in part, an outstanding note, and also to renew the \$4,000.00 note from time to time, for a combined period of two years.

Under authority granted by the Commission by Decision No. 9641, dated October 26, 1921, The Hanford Water Company issued two six and one half percent notes to P. McRae in the principal amount of \$10,000.00 each, one maturing on November 1, 1926, and the other on November 1, 1931, and deposited \$20,000.00 of its six percent bonds due March 1, 1930, as collateral security therefor. The proceeds obtained through the issue of the notes were used in replacing water mains with new and larger pipes and in drilling a new well and in paying outstanding indebtedness. The notes are still outstanding.

One of the notes will mature on November first of this year. Applicant reports that it has \$6,000.00 on hand to meet the indebtedness in part and it desires to issue a note to The First National Bank of Hanford to obtain the remainder. It recites in its petition that the bank is willing to accept its unsecured note payable six months after date with interest at the rate of seven percent per annum, and thereafter to renew the note for further periods of six months each.

The Commission has given consideration to this application and is of the opinion that this is a matter in which a public hearing is not necessary and that the issue of the note is reasonably required for the purpose specified herein and that the expenditure for such purpose is not in whole or in part reasonably chargeable to operating expense or to income, therefore,

IT IS HEREBY ORDERED that The Hanford Water Company be, and it hereby is, authorized to issue its promissory note in the principal amount of not exceeding \$4,000.00, payable six months after date of issue with interest at the rate of not exceeding seven percent per annum for the purpose of paying in part the note in favor of P. McRae maturing November 1, 1926.

IT IS HEREBY FURTHER ORDERED that The Hanford Water Company be, and it hereby is, authorized to renew or refund the \$4,000. note herein authorized to be issued, from time to time, provided that the combined terms of the note originally issued and of those given in renewal do not exceed a period of two years after date of the original note issued hereunder.

IT IS HEREBY FURTHER ORDERED that the authority herein granted shall become effective upon the date hereof, and further,

that 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, within thirty (30) 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.

DATED at San Francisco, California, this 18th day of October, 1926.

H. B. Bondage

C. Seavey

Emmerson

Thos. Stewart

Commissioners.