

Decision No. 17812

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)  
EUCLID AVENUE WATER COMPANY }  
for permission to increase its }  
loan. }

**ORIGINAL**  
Application No. 13276.

Theodore F. Taylor, for applicant.

BY THE COMMISSION:

O P I N I O N

Euclid Avenue Water Company, a corporation engaged in supplying water for domestic and irrigation use in and about South Pasadena, asks the Railroad Commission to make an order authorizing it to issue its seven percent unsecured promissory note in the principal amount of \$4,000.00 and to use the proceeds to pay an outstanding note of \$2,500.00 and to liquidate floating indebtedness of \$1,500.00.

Under authority granted by the Commission by Decision No. 9436, dated August 30, 1921, applicant issued a seven percent five year note for \$2,500.00 to pay in part the cost of a piece of real property said to be necessary to protect its water supply. (See Vol. 20, Opinions and Orders of the Railroad Commission of California, page 469). The note thus issued fell due on June 27, 1926, and applicant reports that it is unable to meet the payment with moneys received as revenues and that accordingly it

has made arrangements with Pacific-Southwest Trust and Savings Bank of Pasadena, to borrow the sum necessary to discharge the earlier indebtedness.

The remaining \$1,500.00 applicant proposes to use to liquidate current indebtedness. It reports, in this connection, that recently a new subdivision of about thirty acres has been opened in its territory and that it has been compelled to incur indebtedness of \$1,749.00 in the purchase of meters, taps and connections; \$829.00 being now due on account of the meters and \$920.00 on account of the taps and connections. The testimony of the company's secretary shows that a portion of the indebtedness will be paid through earnings but that it is believed necessary at this time to borrow \$1,500.00.

Applicant originally asked permission to issue a three months note. At the hearing, however, it amended its petition so as to ask the further permission to renew the note from time to time for a total period of one year. This request seems reasonable to us and the order herein will so provide.

#### O R D E R

Euclid Avenue Water Company having applied to the Railroad Commission for permission to issue a note, a public hearing having been held before Examiner Williams, and the Railroad Commission being of the opinion that the money, property or labor to be procured or paid for through the issue of the note is reasonably required for the purposes specified herein and that the expenditures for such purposes are not in whole or in part

reasonably chargeable to operating expenses or to income,

IT IS HEREBY ORDERED that Euclid Avenue Water Company be, and it hereby is, authorized to issue its unsecured promissory note in the principal amount of \$4,000.00, payable three months after date with interest at not exceeding seven percent per annum and to renew or refund the said note from time to time, provided that the combined terms of the original three months note and of the renewal or refunding notes do not exceed a period of twelve months from the date of this order.

The authority herein granted is subject to the following conditions:-

1. The company may use the proceeds to be received through the issue of the note herein authorized to pay the note for \$2,500.00 referred to in the foregoing opinion and to liquidate current liabilities incurred in installing extensions, additions and betterments.
2. 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.
3. Applicant shall keep such record of the issue of the note herein authorized and of the disposition of the proceeds, as will enable it to file,

within thirty (30) days thereafter 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 12<sup>th</sup>  
day of November, 1926.

Fee \$25.00  
RAILROAD COMMISSION  
STATE OF CALIFORNIA  
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W. M. ...  
Fee \$ 18521

W. B. ...  
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Commissioners.