

Decision No. 19371**ORIGINAL**

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)  
 CITIZENS WATER COMPANY OF NILES )  
 for leave to borrow \$16,000.00 to ) Application No. 14383.  
 be secured by a mortgage. )

Oliver Ellsworth, for applicant.

BY THE COMMISSION:

O P I N I O N

In this application Citizens Water Company of Niles asks permission to execute a mortgage and to issue its two year six percent note for \$16,000.00 for the purpose of paying outstanding indebtedness and financing the cost of additional property.

Citizens Water Company of Niles has filed with the Commission its annual report for the year 1927 and in it reports its assets and liabilities as of December 31, 1927, as follows:-

ASSETS:

Fixed capital . . . . .	\$61,531.30	
Cash . . . . .	1,989.88	
Accounts receivable . . . . .	694.49	
Materials and supplies . . . . .	415.79	
Unamortized discount on stock . . . . .	<u>8,255.00</u>	
Total Assets . . . . .		<u>\$72,886.46</u>

LIABILITIES:

Capital stock . . . . .	\$26,510.00	
Notes payable . . . . .	6,500.00	
Accounts payable . . . . .	228.00	
Reserve for depreciation . . . . .	17,923.12	
Corporate surplus . . . . .	<u>21,725.34</u>	
Total Liabilities . . . . .		<u>\$72,886.46</u>

By Decision No. 15023, dated June 6, 1926, the Commission authorized applicant to execute a mortgage to secure the payment of a promissory note in the principal amount of \$8,000.00. This note was issued, but \$1,500.00 has been paid on account thereof leaving outstanding at present \$6,500.00 as shown in the foregoing balance sheet. The company proposes to use \$6,500.00 of the proceeds received through the issue of the \$16,000.00 note to pay the balance due on this promissory note and to use the remaining \$9,500.00 to pay for the purchase of additional land and the construction or acquisition of additional facilities as follows:-

Land . . . . .	\$500.00
100,000 gallon redwood tank, completely installed . . . . .	2,500.00
3000 feet of 6" cast iron pipe and 3000 feet of 4" cast iron pipe with fittings and connections. . . . .	5,600.00
Booster pump, water and fire proof building . . . . .	900.00
Total . . . . .	<u>\$9,500.00</u>

It is reported that the purchase of the land and the construction or acquisition of the additional facilities is necessary to enable it to maintain adequate water pressure and to render better service to applicant's customers in and about the Town of Decoto. By the installation of the redwood tank, it will be possible to store enough water to supply said customers during the time the water main from Niles to Decoto may be shut down for repair.

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 two year note for \$16,000.00, a public hearing having been held before Examiner Fankhauser, 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 by the applicant for the purposes specified herein, which purposes are not in whole or in part reasonably chargeable to operating expense or to income, therefore,

IT IS HEREBY ORDERED that Citizens Water Company of Niles be, and it hereby is, authorized to execute a mortgage substantially in the same form as that attached to the application herein and marked Exhibit "B" and to issue its promissory note in the principal amount of \$16,000.00 payable on or before two years after date of issue with interest/<sup>at</sup>~~not~~ exceeding six percent per annum for the purpose of paying the outstanding note of \$6,500.00 and of financing the cost of the additional land and facilities to which reference is made in the foregoing opinion.

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

1. Within sixty (60) days after the issue of note herein authorized, applicant shall file with the Commission a verified report required by the Railroad Commission's General Order No. 24, which order, insofar as applicable, is made a part of this order.
2. The authority herein granted to execute a mortgage is for the purpose of this proceeding only, and is granted only insofar as this Commission has jurisdiction under the terms of the Public Utilities Act and is not intended as an approval of said

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

3. 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.

DATED at San Francisco, California, this 16<sup>th</sup> day of February, 1928.

Leon A. [Signature]

C. C. [Signature]  
[Signature]

[Signature]  
Commissioners.

