

Decision No. 22148

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of the)
 INDEPENDENCE WATER COMPANY) Application No. 16237
 for permission to renew promissory note.)

Jess G. Sutliff, for applicant.

BY THE COMMISSION:

OPINION

ORIGINAL

Independence Water Company has applied to the Railroad Commission to issue its promissory note in the principal amount of \$2,000.00, payable one year after date of issue with interest at the rate of 8 percent per annum, for the purpose of renewing outstanding indebtedness.

The application shows that the company is engaged in the business of selling and delivering water to the inhabitants of the Town of Independence, Inyo County. It reports its total revenues during 1929 at \$4,999.78 and its expenses, including taxes, at \$1,977.21, leaving net revenues of \$3,022.57. At the close of 1929 it reported its assets and liabilities as follows:

ASSETS

Fixed capital.....	\$13,188.79
Cash.....	<u>3,022.57</u>

Total Assets.....	<u>\$16,211.36</u>
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LIABILITIES

Capital stock.....	\$ 7,620.00
Notes payable.....	5,000.00
Income invested in fixed capital.....	649.85
Corporate surplus.....	<u>2,941.51</u>

Total Liabilities..	<u>\$16,211.36</u>
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The outstanding notes of \$5,000.00 were issued, it appears, for the purpose of renewing certain old water mains. These notes are set forth in the company's 1929 annual report as follows:

<u>In Favor Of</u>	<u>Date of Issue</u>	<u>Date Due</u>	<u>Interest</u>	<u>Amount</u>
H. C. Baxter	Jan. 1, 1929	Jan. 1, 1930	8 percent	\$2,000.00
Geo. W. Naylor	Jan. 1, 1929	Jan. 1, 1930	8 percent	1,500.00
O. C. Harper	Jan. 1, 1929	Jan. 1, 1930	8 percent	1,500.00
				<u>\$5,000.00</u>

It is now reported that the company has used its surplus earnings to pay \$3,000.00 of the above notes, leaving outstanding at this time only the \$2,000.00 note in favor of J. C. Baxter. It is alleged that applicant is not in a financial position to pay the remaining indebtedness and that it is necessary to issue a renewal note.

A review of the company's application and its financial reports on file with the Commission indicates to us that its properties, assets and earnings are ample to support the proposed note issue, and we believe the company's request to issue its note should be granted.

ORDER

Independence Water Company having applied to the Railroad Commission for permission to issue a \$2,000.00 note, and the Commission being of the opinion that this is not a matter in which a public hearing is necessary, and that the money, property or labor to be procured or paid for is reasonably required for the purpose specified herein,

IT IS HEREBY ORDERED that Independence Water Company be, and it hereby is, authorized to issue its promissory note in the principal amount of \$2,000.00, payable on or before one year after

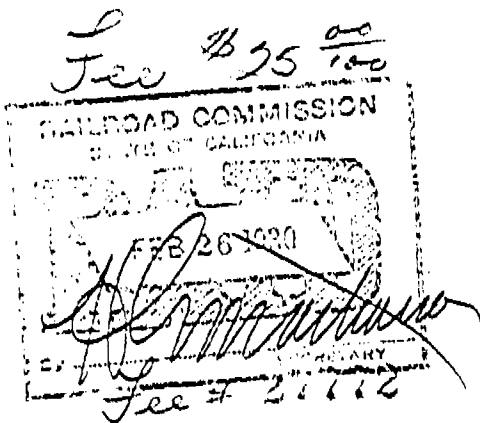
date of issue, with interest at not exceeding 8 percent per annum, for the purpose of paying or refunding the note of like amount in favor of J. C. Baxter now outstanding.

The authority herein granted is subject to the following conditions:

(1) Applicant shall keep such record of the issue of the note herein authorized as will enable it to file within thirty 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.

(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 \$25.00.

DATED at San Francisco, California, this 20th day of February, 1930.



Cl Seavey
Emmanuel
Thos S. Smith

Commissioners.