

ORIGINALDecision No. 23432

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of the)
) CAMPELL WATER CO.,)
 for permission to renew the unpaid bal-)
 ance (as of Sept. 30, 1930) of original)
 note of \$8,000.00, said balance being)
 in the amount of \$6,000.00.)

Application No. 17186

BY THE COMMISSION:

OPINION AND ORDER

The Railroad Commission has been asked to authorize Campbell Water Co. to renew a note in favor of Alice L. Hyde, as of date September 30, 1930, in the amount of \$6,000.00 at seven percent interest, payable on or before one year after September 30, 1930 and to renew said note thereafter for any unpaid balance that may exist at any time the holder of the note requests renewal.

The records of the Commission show that by Decision No. 19316, dated February 6, 1928, it authorized Campbell Water Co. to issue, for the purpose of paying for additional facilities, its unsecured seven and one-half percent promissory note payable on or before five years after date of issue. Annual financial reports filed by the company thereafter show that an \$8,000.00 seven and one-half percent note in favor of Alice L. Hyde was issued on September 28, 1928, payable on March 30, 1929, which note, or unpaid portion thereof, was renewed from time to time, the last renewal for \$6,000.00 being made on September 30, 1930 for a period of six months.

The order of the Commission did not authorize the issue of such renewal notes. When the company's attention was called to the fact that such notes were issued without an order from the Commission then in effect, it forthwith filed this application for permission to issue its renewal notes as set forth herein above.

We do not believe that we should authorize the issue of the present note as of September 30, 1930. The note now outstanding having been issued without permission from the Commission is in our opinion void. We believe that applicant should be authorized to issue a new note for the balance of the indebtedness now outstanding. The company's latest annual report shows that the indebtedness has been reduced to \$5,000.00 and the authority granted in this decision will be limited to that amount. In our opinion this is not a matter in which a public hearing is necessary and we believe that the money, property or labor to be procured or paid for through the issue of the note, and renewals thereof, is reasonably required for the purpose specified herein, which purpose is not, in whole or in part, reasonably chargeable to operating expense or to income, therefore,

IT IS HEREBY ORDERED that Campbell Water Co. be, and it hereby is, authorized to issue its unsecured promissory note in the principal amount of not exceeding \$5,000.00, payable on or before one year after the effective date hereof with interest at not exceeding seven percent per annum for the purpose of renewing indebtedness of like amount now outstanding in favor of Alice L. Hyde.

IT IS HEREBY FURTHER ORDERED that Campbell Water Co. be, and it hereby is, authorized to renew the note herein authorized upon maturity, or any part of it remaining unpaid, from time to time, by means of another note or notes, provided that the combined terms of the original note to be issued under the authority herein granted and the renewal note or notes, shall not exceed a period of

five years from the effective date of this order.

The authority herein granted is subject to the following conditions:

(1) Applicant shall keep such record of the issue of the note herein authorized, and of any renewal notes thereof, as will enable it to file within thirty (30) days after such issue, a verified report, as required by the Railroad Commission's General Order No. 24, which order, insofar as applicable, is made a part hereof.

(2) The authority herein granted will become effective twenty (20) days from the date hereof.

DATED at San Francisco, California, this 24th day of February, 1931.

C. S. Lewis
Leon Whitely
W. H. Lewis
W. B. Harris
Fred G. Stewart
Commissioners.