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Decision No. 10403.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of  
WHITTIER WATER COMPANY,  
a corporation, for an order authorizing it to issue refunding promissory notes. } Application Number 7740.

J. S. Bennett, for Applicant.

BY THE COMMISSION:

ORIGINAL

O P I N I O N

In this application, WHITTIER WATER COMPANY asks permission to issue \$100,000.00 face value of three year seven percent. notes for the purpose of refunding outstanding notes and for the improvement and maintenance of its facilities and service. The company also asks permission, if found necessary, to execute a mortgage on certain of its properties to secure the payment of its notes.

A public hearing was held before Examiner Williams in Los Angeles on April 28, 1922.

The petition shows that pursuant to Decision Number 7609 dated May 24, 1920, the company issued the following notes:-

Payee	Date	Due	Inter-Amount est
Citizens Nat'l Bank of Los Angeles	9/26/1921	6 Mo.	6% \$ 7,500.00
" " "	10/31/1921	6 Mo.	6% 7,500.00
" " "	11/20/1921	6 Mo.	6% 10,000.00
1st Nat'l Bank of Whittier	3/16/1922	Demand	7% 10,000.00
" " "	4/12/1920	"	7% 10,000.00
Whittier Nat'l Bank	3/24/1921	"	7% 12,000.00
TOTAL.....			\$57,000.00

It appears that two seven percent. demand notes in the aggregate amount of \$7,000.00 were issued subsequent to the date of the Commission's order, and that the moneys obtained from the issue of these notes were used to pay in part the cost of applicant's Judson plant.

Testimony shows that the holders of these notes, which aggregate \$54,000.00 are now requesting payment and that the company proposes to refund them through the issue of new notes. Applicant intends to use the moneys received from the issue of \$16,000.00 of notes to maintain its service and facilities, the testimony of J. B. Chaffey, applicant's vice president and manager, showing that approximately this amount would be needed to maintain its service during the first part of the year. In the latter part of the year, during the pumping season, it is thought that revenues will be sufficient to meet all expense arising from operation. The remaining \$20,000.00 of notes will not be issued until authorized by the Commission in a supplemental order or orders.

The application shows that suits are now pending in the Superior Court of the State of California in and for the County of Los Angeles involving the extent of petitioner's rights to its water derived from its Bassett water bearing lands, and other suits involving certain of its rights to its Judson water-bearing lands, but that its Bartolo water-bearing lands are not involved in any of the suits. Applicant is of the opinion that until these suits are determined or settled, it will not be advisable to refund its notes on a permanent basis.

Applicant asks permission to secure the notes herein applied for, if found necessary, by a trust deed of its Bartolo water-bearing lands and water rights subject to existing liens. However, it has made no arrangements to dispose of its notes and for this reason has not filed a copy of the proposed trust deed, being unable to advise the Commission at this time whether it will be necessary to execute such an instrument.

The Commission cannot authorize the execution of a trust deed until after a copy of the proposed trust deed has been submitted. The order herein, therefore, will authorize the issue of unsecured notes. In the event that applicant desires to secure the payment of its notes, it must file a copy of a proposed trust deed. If it is found to be in satisfactory form the Commission, by supplemental order, will authorize its execution.

O R D E R

WHITTIER WATER COMPANY, having applied to the Railroad Commission for permission to issue notes and to execute a mortgage, a public hearing having been held and the Railroad Commission being of the opinion that the application should be granted to the extent indicated in this order and that the money, property or labor to be procured or paid for by the issue of notes is reasonably required by applicant;

IT IS HEREBY ORDERED, that WHITTIER WATER COMPANY be, and it is hereby, authorized to issue at not less than face value \$100,000.00 of three-year notes bearing interest at not to exceed seven per cent. per annum.

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

- 1.---\$80,000.00 of the notes herein authorized may be issued or sold for the purpose of refunding the notes referred to in the foregoing opinion and for the maintenance and improvement of applicant's facilities and services.
- 2.---The remaining \$20,000.00 of notes may<sup>not</sup> be sold or otherwise disposed of except as authorized by the Commission in a supplemental order or orders.
- 3.---Applicant may, if it so desires, issue the notes herein authorized for a term of less than three

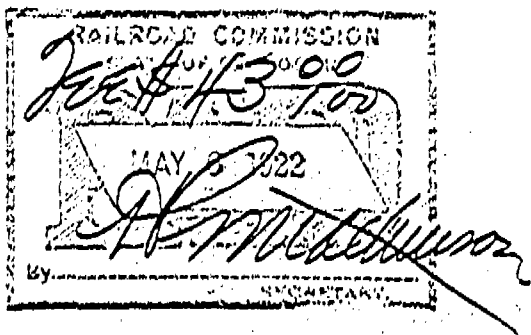
c years and renew them from time to time, provided that the combined terms of the notes and of those issued in renewal do not exceed three years from the date of this order.

4....Applicant shall keep such record of the issue of the notes herein authorized and of the disposition of the proceeds as will enable it to file on or before the 25th day of each month, a verified report, as required by the Railroad Commission's General Order No. 24, which order in so far as applicable, is made a part of this order.

5....The authority herein granted will not become effective until applicant has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is \$43.00.

DATED at San Francisco, California, this 3rd day of May, 1922.

*H. B. Chandler*



*Arthur W. Martin*  
*Chas. H. ...*  
*L. J. ...*  
Commissioners.