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Decision No. 10764.

BEFORE THE RAILROAD COMMISSION OF THE  
STATE OF CALIFORNIA

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In the Matter of the Application of )  
CONSOLIDATED UTILITIES COMPANY, )  
a corporation, for permission to )  
issue notes. )

Application No. 8062

Lon Dunn, for Applicant.

BY THE COMMISSION:

O P I N I O N.

In this application, as amended at the hearing, CONSOLIDATED UTILITIES COMPANY, a corporation, asks permission to issue notes of the face value of \$7,200.00, bearing interest at not exceeding 7 per cent. per annum and payable on or before three years after date.

A hearing was had on this application before Examiner Westover at Los Angeles on July 20, 1922.

Applicant operates a telephone system at Gardena, Compton, Moneta, Hynes and Clearwater. It reports 1,122 telephones in use on December 31, 1921. Its operating revenues for 1921 are reported at \$32,035.70; its operating expenses including taxes at \$24,331.47, leaving a net operating revenue of \$7,704.23. It is of record that applicant has \$37,060.00 of stock outstanding, on which 8 per cent. dividends were paid in 1921. Applicant has no outstanding indebtedness. Its note indebtedness consists of \$7,200.00.

At the time applicant's officers issued the notes now outstanding, they were not aware of the provisions of the Public Utilities Act requiring that the issue of such notes be authorized by the Railroad Commission. Upon having their attention called to the

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Act and to the fact that the notes were not issued pursuant to the Act, they immediately filed this application to issue notes in lieu of those now outstanding. The \$7,200.00 of notes outstanding include a \$2,500.00 note secured by mortgage and issued to J.A. Myers. The rest of the \$4,200.00 of note indebtedness is represented by three unsecured notes issued to the First National Bank of Compton.

O R D E R .

CONSOLIDATED UTILITIES COMPANY having applied to the Railroad Commission for permission to issue notes in the aggregate amount of \$7,200.00, a public hearing having been held and the Commission being of the opinion that the money, property or labor to be procured or paid for by the issue of the notes herein authorized is reasonably required by applicant and that this application should be granted as herein provided;

IT IS HEREBY ORDERED, that CONSOLIDATED UTILITIES COMPANY be, and it is hereby, authorized to issue notes of the aggregate face value of \$7,200.00, bearing interest at not to exceed 7 per cent. per annum and to be payable on or before three years after date hereof, said notes to be issued for the purpose of refunding the indebtedness represented by the \$7,200.00 of applicant's notes now outstanding. Of the notes herein authorized to be issued, the payment of a note for \$2,500.00 may be secured by a mortgage similar in form to the mortgage heretofore executed by applicant for the purpose of securing the \$2,500.00 note issued to J.A. Myers.

The authority herein granted is subject to further conditions as follows:-

- 1.--The notes herein authorized to be issued shall be issued so as to net applicant the full face value thereof.

- 2.--If applicant issues a note or notes for a term of less than three years after date hereof, it may renew such note or notes from time to time, provided that the term of the original note or notes and the terms of the renewals thereof do not exceed a period of three years from the date hereof.
- 3.--The authority herein granted will not become effective until applicant has paid the minimum fee prescribed by the Public Utilities Act, which fee amounts to \$25.00.
- 4.--Applicant shall keep such record of the issue of the note or 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.

DATED at San Francisco, California, this 22<sup>d</sup> day  
 July, 1922.

H. P. Dundee  
George Martin  
Charles H. ...  
J. P. ...

Fee \$25.00  
 33 1922  
J. Matheson

Commissioners.