

Decision No. _____

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

ORIGINAL

In the matter of the application of Walnut Creek Water Company for authority to issue a promissory note and to mortgage property.

Application No. 1393.

Decision No. 1937

LOVELAND, Commissioner.

Winfield Dorn, for applicant.

OPINION

This is an application by Walnut Creek Water Company for authority to issue a promissory note in the sum of \$2,000 to California Investment Company and to mortgage a parcel of real estate as security for said note.

Walnut Creek Water Company supplies water to the inhabitants of the town of Walnut Creek, Contra Costa County. On September 16, 1913, it purchased from California Investment Company a certain parcel of land near the town of Walnut Creek, being the north 2.55 acres of Lot No. 5 of that certain subdivision of land known as "Walnut Park". In consideration therefor the applicant issued its promissory note dated September 16, 1913, for \$2,000 to California Investment Company, said note bearing interest at the rate of 7 per cent per annum and maturing two years from date. The applicant executed a mortgage on said parcel of real estate as security for the note in the sum of \$2,000.

It appears that the note in the sum of \$2,000 was issued without the approval of this Commission. Mr. R. N. Burgess, President of Walnut Creek Water Company, testified at the hearing that the note was issued and the mortgage executed in ignorance of those provisions of the Public Utilities Act which require the previous approval of this Commission.

The note was issued for the acquisition of property and I therefore recommend that the application be granted.

O R D E R

Walnut Creek Water Company having applied to this Commission for authority to execute a promissory note in the sum of \$2,000 to replace a note in the same amount illegally issued, and for authority further to mortgage a certain parcel of land in the town of Walnut Creek, in Contra Costa County, being the north 2.55 acres of Lot No. 5 of that certain subdivision of land known as "Walnut Park";

And a hearing having been held and it appearing that the purpose for which the note is ^{to be} issued is not in whole or in part chargeable to operating expenses or to income;

IT IS HEREBY ORDERED that Walnut Creek Water Company be given authority and it is hereby given authority to execute its promissory note in the sum of \$2,000 to California Investment Company, said note to bear interest at 7 per cent per annum and to mature not later than two years after date, said note to be used to replace a note dated September 16, 1913, for \$2,000, issued by said Walnut Creek Water Company to California Investment Company.

IT IS FURTHER ORDERED that Walnut Creek Water Company be given authority and it is hereby given authority to mortgage that certain portion of its property consisting of a parcel of land near Walnut Creek, being the north 2.55 acres of Lot No. 5 of that certain subdivision of land known as "Walnut Park".

The authority herein given is given upon the following conditions and not otherwise:

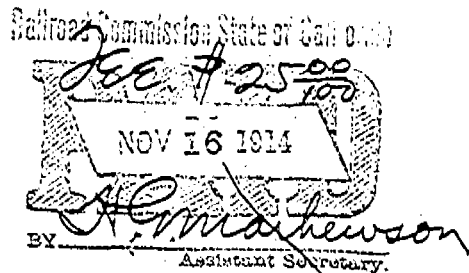
(1) The applicant herein shall, within thirty days, report to this Commission that the note herein authorized to be issued has been issued, and that the note which it is to replace has been canceled.

(2) The authority herein granted shall apply to such note as shall have been issued on or before December 31, 1915.

(3) The authority herein granted is conditioned upon the payment of the fee prescribed under the Public Utilities Act.

The foregoing Opinion and Order are hereby approved and ordered filed as the Opinion and Order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 13th day of November, 1914.



W. S. Cleveland

Max Thelen

Edwin O. Edgerton

Commissioners.