

ORIGINAL

Decision No. 2168

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

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In the matter of the application of )	
CLAREMONT DOMESTIC WATER COMPANY )	
for authority to issue notes to the )	Application No. 1468.
amount of \$30,000.00. )	

L.T. Gillett for applicant.

LOVELAND, Commissioner.

O P I N I O N

Claremont Domestic Water Company supplies domestic and irrigating water to the inhabitants of the City of Claremont, Los Angeles County, and vicinity. In this proceeding, it petitions for authority to execute a mortgage of its properties and to issue a note or notes in a sum not to exceed \$30,000.00. The applicant proposes to issue its note or notes in an amount not to exceed \$20,000.00 and to issue the remaining \$10,000.00 as its needs may require. It is proposed by Claremont Domestic Water Company to retire an indebtedness of \$8,500.00 and to use \$11,500.00 for extending its pipe system in order to afford better fire protection to the City of Claremont. The company was directed to make this extension under Decision No. 1677 of this Commission.

In connection with Application No. 1144, the engineering department of this Commission estimated <sup>the</sup> reproduction value of applicant's properties, exclusive of water rights and certain other items, at \$45,964.00. The estimated depreciated reproduction value was submitted in the sum of \$34,364.00.

The indebtedness of the applicant is represented by a promissory note to Pomona College dated January 1, 1914 and matur-

ing January 1, 1917, bearing interest at the rate of seven per cent. per annum. The other indebtedness consists of current bills of small amount. It appears that this note to Pomona College was executed in violation of the terms of the Public Utilities Act and that an authorization would be required for a new note to replace the one issued were it not for the fact that the applicant herein proposes to refund this indebtedness.

For the calendar year 1914, the applicant submitted a statement of earnings as follows:-

Operating Revenue,.....	\$12,110.53
Operating Expenses,.....	8,242.11
Net Operating Revenue,.....	\$ 3,868.42
Other Income,.....	62.54
Gross Corporate Income,.....	\$ 3,930.96
Rent Expense,.....	150.00
Balance,.....	\$ 3,780.96

Dividends were paid in the sum of \$3,502.50 and the balance carried to surplus.

It is proposed by the applicant to borrow the sum of \$20,000.00 from Pomona College, which is located at Claremont.

The proposed improvements consist of approximately 9700 linear feet of 10" pipe and 3000 feet of No. 4 Mathewson leaded joint pipe to be laid from the reservoir of the applicant to the business portion of the City of Claremont.

The applicant has not submitted a copy of its proposed mortgage and deed of trust and a supplemental order will, therefore, be necessary to approve the form of mortgage or deed of trust.

In view of the necessity for the extensions for fire protection and in view also of this applicant's general financial condition, I recommend that the application be granted and submit the following form of Order.

O R D E R.

Claremont Domestic Water Company having applied to this Commission for authority to execute a mortgage of its properties in a total sum of \$30,000 to Pomona College, and Claremont Domestic Water Company having applied to this Commission for authority to issue its 10-year note or notes in the amount of \$50,000.00 and having requested authority to issue \$20,000.00 of said note or notes at this time, and a hearing having been held and it appearing that the purposes for which the applicant desires to issue said note or notes are not in whole or in part reasonably chargeable to operating expenses or to income,

IT IS HEREBY ORDERED that Claremont Domestic Water Company be granted authority and is hereby granted authority to mortgage its properties to Pomona College to secure an indebtedness not to exceed the sum of \$50,000.00.

IT IS FURTHER ORDERED that Claremont Domestic Water Company be granted authority and is hereby granted authority to issue its 10-year note or notes to Pomona College in a sum not to exceed \$20,000.00 under the terms of said mortgage.

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

- (1). The note or notes herein authorized to be issued shall bear interest at a rate not to exceed seven per cent. per annum and shall mature not later than ten years from date of issue.
- (2). Said note or notes shall be sold so as to secure to the applicant herein the face value thereof plus accrued interest thereon.
- (3). The proceeds from the sale of said note or notes shall be used for the following purposes:-

- (a). For installing high pressure fire mains and hydrants with accessories to serve the City of Claremont;..... \$11,500.00
  - (b). To refund indebtedness to Pomona College;..... 8,500.00
- Total,..... \$20,000.00

(4). Claremont Domestic Water Company shall keep true, separate and accurate accounts showing the receipt and application in detail of the proceeds from the sale of the note or notes hereby authorized to be issued; and on or before the twenty-fifth day of each month the company shall make verified reports to the Commission stating the sale or sales of said note or notes during the preceding month, the terms and conditions of the sale, the moneys realized therefrom, and the use and application of such moneys, all in accordance with this 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 shall become effective only after this Commission shall have issued a supplemental order approving applicant's mortgage or deed of trust, under which the note or notes herein authorized are to be issued.

(6). The authority herein granted is conditioned upon the payment by the applicant of the fee prescribed in the Public Utilities Act.

(7). The authority herein granted shall apply to such note or notes as shall have been issued on or before January 1, 1916.

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 24th  
day of February, 1915.

Mary Thelen  
H. H. David  
W. A. ...  
Edwin O. Edgerton  
John P. DeLeon

Commissioners.

Railroad Commission, State of California  
2000  
MAR 2 1915  
H. H. Matherson  
BY Assistant Secretary.