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Decision No. ✓

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

Decision No. 3095

In the Matter of the Application)
of ANTELOPE CREEK AND RED BLUFF)
WATER COMPANY for an order)
authorizing the issuance of notes.)

Application No. 2053.

Elliott McAllister,
for applicant.

BY THE COMMISSION.

O P I N I O N

This is an amended application of Antelope Creek and Red Bluff Water Company for authority to issue an installment note or notes in the total sum of \$11,000.00 to Savings Union Bank and Trust Company for the purpose of refunding \$4,000.00 of bonds and \$7,000.00 of notes now outstanding.

Applicant was incorporated in April 1888 and since that time has been engaged in supplying water in the City of Red Bluff, Tehama County. Witness for applicant testified that at the present time the Company's only indebtedness consists of \$4,000.00 of bonds and \$7,000.00 of notes. The bonds now outstanding are held by the Savings Union Bank and Trust Company of San Francisco and are the remainder of an issue of \$20,000.00 of First Mortgage

Four Per Cent bonds issued in 1898. Of the \$4,000.00 of bonds now outstanding, \$1,000.00 matures December 31, 1916, and similar amounts in each of the succeeding three years.

The notes which applicant has outstanding were issued under authority granted by this Commission in its Decision Number 404, (Vol 2, Opinions and Orders of the Railroad Commission of California, Page 18) and certain orders issued supplemental thereto. Said Decision Number 404 gave applicant authority to issue six per cent promissory notes in the total sum of \$15,000.00 for the purpose of liquidating a \$3,000.00 note held by Bank of Tehama County and providing funds with which to reimburse the Company's treasury for moneys expended in additions and betterments.

In a second supplemental order, dated February 6, 1916 (Vol. 6, Opinions and Orders of the Railroad Commission of California, page 170), the Company was authorized to issue promissory notes in the sum of \$12,000.00 for the purpose of refunding a note for \$3,500.00 being the unpaid balance of notes issued under the original Decision Number 404 and to provide funds with which to reimburse the Company's treasury in the sum of \$8,500.00 for moneys previously expended for additions and betterments.

Of the \$12,000.00 of notes so authorized, applicant issued only \$7,000.00 as follows:-

<u>Payee</u>	<u>Amount</u>	<u>Date</u>	<u>Date of Maturity</u>	<u>Int. Rate</u>
Bank of Tehama Co.	\$3500.	Nov. 26, 15	Feb. 6, 1916	6%
Bank of Tehama Co.	3500.	Apr. 28, 15	Feb. 6, 1916	6%

In the present application authority is asked to issue an \$11,000.00 installment note or notes to Savings Union Bank and Trust Company of San Francisco and to use the proceeds in taking up the \$4,000.00 of bonds and \$7,000.00 of notes above mentioned. The note or notes which the Company desires to issue will bear interest at five per cent per annum and will be payable as follows:-

\$1,000.	on or before	December 31, 1916.
2,000.	on or before	December 31, 1917
2,000.	on or before	December 31, 1918.
2,000.	on or before	December 31, 1919.
2,000.	on or before	December 31, 1920.
2,000.	on or before	December 31, 1921.

After consideration of the evidence submitted by applicant it appears that this application is reasonable and should be granted subject, however to the terms of the following Order:

O R D E R

ANTELOPE CREEK and RED BLUFF WATER COMPANY having applied to this Commission for authority to issue an \$11,000.00 five per cent installment note or notes to Savings Union Bank and Trust Company of San Francisco and a hearing having been held and it appearing to this Commission that applicant's request is reasonable and the purposes for which it is proposed 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 Antelope Creek and Red Bluff Water Company be and it is hereby authorized to issue an installment note or notes to Savings Union Bank and Trust Company of San Francisco in the principal sum of \$11,000.00 and bearing interest at five per cent per annum and maturing as follows:-

\$1,000. on or before December 31, 1916.
2,000. on or before December 31, 1917.
2,000. on or before December 31, 1918.
2,000. on or before December 31, 1919.
2,000. on or before December 31, 1920.
2,000. on or before December 31, 1921.

The order herein granted is granted upon the following conditions and not otherwise:

- 1.-The proceeds from the note or notes herein authorized to be issued shall be used for the following purposes and not otherwise:
 - (a)-To retire \$4,000.00 of applicant's first mortgage four per cent bonds now outstanding, held by Savings Union Bank and Trust Company of San Francisco.

(b)-To retire two six per cent promissory notes in the sum of \$3,500.00 each, payable to Bank of Tehama County, dated April 28, 1915 and November 26, 1915 respectively and maturing February 6, 1916.

2.-Applicant shall report to this Commission within thirty days after the issuance of any note or notes authorized to be issued, the name of the payee, the term of the note, the rate of interest and the face amount of such note or notes and the application of the proceeds.

3.-The authority herein granted to issue a note or notes shall not become effective until the payment by applicant of the fee prescribed in the Public Utilities Act.

4.-The authority herein granted shall apply only to such note or notes as shall have been issued on or before June 30, 1916.

Dated at San Francisco, California, this 14th day of February, 1916.

Max Shelton
H. D. Loveland
Chas. Gordon
Edwin C. Edgerton
Francis R. DeLoach
Commissioners.

Railroad Commission State of California
FEB 15 1916
BY J. M. Johnson
Assistant Secretary.