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Decision No. _____

ORIGINAL

Decision No. 4702

BEFORE THE RAILROAD COMMISSION
OF THE STATE OF CALIFORNIA.

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In the Matter of the Application
of FORTUNA WATER COMPANY, for
an order authorizing the issue
of refunding notes.

}
} Application No. 2877.
}
}
}

R. R. Smith, for applicant.

BY THE COMMISSION.

O P I N I O N

This is an application of Fortuna Water Company of Fortuna, Humboldt County, for authority to issue a six per cent note payable to the Bank of Fortuna in the principal sum of \$1,550.00 for a term or terms not exceeding one year.

A hearing in this matter was held before Examiner Encell at Fortuna on September 19, 1917.

From the testimony offered at the hearing it appears that on February 29, 1916, applicant issued a six months six per cent note in the principal sum of \$1,550.00 to the Bank of Fortuna and used the proceeds to retire two notes to the same payee, one for \$1,400.00, dated August 31, 1914, and one for \$150.00, dated March 10, 1915.

Thereafter the company issued a renewal note, dated August 29, 1916, in the same amount to the same payee. These notes were issued without obtaining the necessary authority from the Railroad Commission and applicant now desires permission to issue a new note for \$1,550.00 in lieu of the note now outstanding. It appears from the testimony that the proceeds from the two notes for \$1,400.00 and \$150.00 respectively were used for capital expenditures and that applicant had no intention of violating the terms of the Public Utilities Act when the renewal notes were issued.

Applicant's only indebtedness according to a financial statement filed with the application and dated April 1, 1917, consists of accounts payable amounting to \$314.12.

Under the circumstances it appears that this application may be granted subject to the terms of the following order:-

ORDER

FORTUNA WATER COMPANY having applied to this Commission for authority to issue a six per cent note payable to the Bank of Fortuna, in the principal sum of \$1,550.00 for a term or terms not exceeding one year, and a public hearing having been held, and it appearing that the money to be procured by such issue is reasonably required for the purposes specified in the Order, which purposes are not reasonably chargeable in whole or in part to operating expenses or to income;

IT IS HEREBY ORDERED that Fortuna Water Company be and it is hereby authorized to issue a promissory note in the principal sum of \$1,550.00, payable not to exceed twelve months after date to Bank of Fortuna, Fortuna, Humboldt County, said note to bear interest at not to exceed six per cent per annum.

This authority is granted upon the following conditions and not otherwise:-

1. The proceeds from the note herein authorized to be issued shall be used for the sole purpose of retiring and canceling a note in like amount, payable to the Bank of Fortuna, heretofore issued without authority from this Commission.

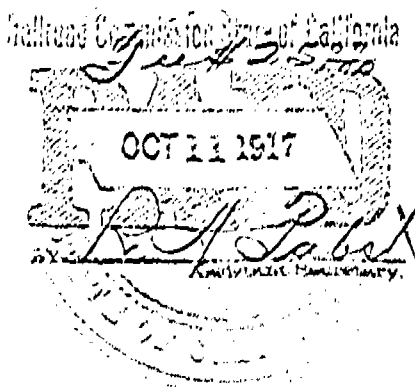
2. If applicant so desires it may renew the note herein authorized by the issue of another note or notes provided that the combined terms of the original note and the renewal note or notes is not in excess of twelve months.

3. Within thirty days after the issue of any note under the authority of this Decision, applicant shall make report of such fact to this Commission.

4. The authority herein granted Fortuna Water Company to issue a note is conditioned upon the payment of the fee prescribed by the Public Utilities Act.

5. The authority herein granted Fortuna Water Company to issue a note shall apply only to such note or notes as shall have been issued on or before September 1, 1918.

Dated at San Francisco, California, this 31 day of October, 1917.



Man. Thelen
W. D. Woodard
W. E. Gordon
Edwin O. Ege

Commissioners.