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ORIGINAL

Decision No. 4924

Decision No. _____

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
INGLEWOOD WATER COMPANY, for an)
order authorizing the issue of its)
two notes for \$20,041.11 and)
\$46,762.61, respectively.)

Application No. 3251.

BY THE COMMISSION.

FIRST SUPPLEMENTAL ORDER

WHEREAS, the Railroad Commission in Decision Number 4904, dated October 31, 1917, authorized Inglewood Water Company to issue for refunding purposes a three-year six per cent note to Charles Lloyd in the principal sum of \$17,254.66, and a three-year six per cent note to Centinela Land Company in the principal sum of \$40,260.85; and

WHEREAS this Commission deferred consideration of applicant's request for permission to issue notes in the principal sum of \$9,288.21 for the purpose of paying accrued interest on the above obligations, until applicant had submitted specific statements showing the amount of earnings invested in capital account during the period when such interest had accrued and had also submitted statements showing the amount of earnings during said period available for capital expenditures; and

WHEREAS applicant has now represented to this Commission that by arrangement with two of its stockholders it will be able to liquidate certain accounts receivable and apply

the same upon the amount due for accrued interest, thereby reducing the amount of interest due Charles Lloyd for the period from January 1, 1916 to October 1, 1917, from \$2,786.45 to \$1,442.20, and reducing the amount due Centinela Land Company for the same period from \$6,501.76 to \$3,365.16, making a total of accrued interest amounting to \$4,807.36; and

WHEREAS applicant has now submitted to this Commission a statement showing cash expenditures for capital purposes from January 1, 1916 to October 1, 1917 in the total sum of \$8,448.48 and has also submitted a statement of its earnings and expenses from August 31, 1917 to October 1, 1917; and

WHEREAS it appears from said statements and from the statements heretofore filed with this Commission that applicant has invested in plant out of earnings between January 1, 1916 and October 1, 1917 a sum in excess of the \$4,807.36 of interest accrued between said dates on its notes to Charles Lloyd and Centinela Land Company, and it appearing to this Commission that upon the showing thus made, applicant may be permitted to issue a three-year six per cent note to Charles Lloyd in the principal sum of \$1,442.20 and to Centinela Land Company in the principal sum of \$3,365.16, and it appearing further that the moneys, property, or labor to be procured or paid for by such issue is reasonably required for the purpose specified in the order, and that such purpose is not in whole or in part reasonably chargeable to operating expenses, or to income,

IT IS HEREBY ORDERED that Inglewood Water Company be, and it is, hereby granted authority to issue a three-year six per cent note to Charles Lloyd for the principal sum of \$1,442.20 and a three-year six per cent note to Centinela Land Company for the principal sum of \$3,365.16; or add these sums

to the amounts of the respective notes authorized to be issued by Decision Number 4804, dated October 31, 1917.

The authority herein granted is granted upon the following conditions, and not otherwise:-

1.-The notes herein authorized to be issued shall be issued at not less than the face value thereof.

2.-The proceeds of the note herein authorized to be issued to Charles Lloyd shall be used to reimburse applicant's treasury for a portion of the capital expenditures made out of income during the period from January 1, 1916 to October 1, 1917, and thereafter said moneys shall be used to pay interest accrued on a note to Charles Lloyd dated December 31, 1912, which note applicant was authorized to refund by Decision No. 4804.

3.-The proceeds of the note herein authorized to be issued to Centinela Land Company shall be used to reimburse applicant's treasury for a portion of the capital expenditures made out of income during the period from January 1, 1916 to October 1, 1917, and thereafter said moneys shall be used to pay interest accrued on a note to Centinela Land Company, dated December 31, 1912, which note applicant was authorized to refund by Decision No. 4804.

4.-The authority herein granted applicant to issue notes is conditioned upon the liquidation of \$4,480.85 of applicant's accounts receivable and the application of the proceeds thereof to payment of a portion of the accrued interest due Charles Lloyd and Centinela Land Company, as outlined in a letter to this Commission from applicant dated November 13, 1917.

5.-Inglewood Water Company shall keep separate,

true and accurate accounts showing the receipt and application in detail of the proceeds of the notes herein 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 disposition of the notes herein authorized to be issued and of the proceeds of each thereof, and in this and all other respects applicant shall comply fully with this Commission's General Order No. 24, which order in so far as applicable is made a part of this order.

6.-The authority herein granted to issue notes is conditioned upon the payment by applicant of the fee prescribed by the Public Utilities Act.

7.-The authority herein granted to issue notes shall apply only to such notes as may be issued on or before March 1, 1918.

Dated at San Francisco, California, this 5th
day of December, 1917.

H. B. Rowland

Edwin O. Edgerton

Frazer R. Denby
Commissioners.