

Decision No. _____

ORIGINAL

Decision No. 5445

BEFORE THE RAILROAD COMMISSION OF THE
STATE OF CALIFORNIA

In the Matter of the Application of :
THE NORTH GLENDALE DISTRIBUTING : Application
COMPANY and N. C. KELLEY, owner and : No. 3600
operator, to mortgage. :

W. E. Evans for applicant.

EDGERTON, Commissioner

O P I N I O N

N. C. Kelley doing business under the name of
The North Glendale Distributing Company, asks authority to
mortgage his public utility water plant to secure the payment
of \$5,700 indebtedness to be represented by a \$5,000 seven
per cent one year note payable to the First National Bank of
Glendale and a \$700 seven per cent one year note payable to
W. W. Lee.

Applicant is engaged in furnishing and dis-
tributing water for domestic and other purposes to the people
of a section in the unincorporated village of Casa Verdugo
located immediately north and adjoining the boundary of the
City of Glendale. The properties to be mortgaged consist

in general of lots 131 and 132 of Casa Verdugo Villa Tract as per map recorded in book 9 of maps, pg. 110, records of Los Angeles County, California, and all appurtenances belonging thereto, together with approximately 1,800 feet of six inch pipe, 1000 feet of four inch pipe, 4,350 feet of two inch pipe, about 50 meters and service connections together with necessary laterals in connection therewith; also 150 $\frac{1}{2}$ shares of stock in the Verdugo Water Company together with a like number of ten-thousandths shares in the Verdugo Canyon stream, 150 $\frac{1}{2}$ shares of stock in the North Glendale Reservoir and Pipe Line Company together with a like number of ten-thousandths shares in Verdugo Canyon stream; also rights of way and pipe lines across lot 130 of the Casa Verdugo Villa Tract together with all other property used in connection with the water distributing system of N. C. Kelley.

Applicant reports that the proceeds from the issue of the notes will be used to pay \$1,830 indebtedness due Marshall Stimson and \$3,200 indebtedness due the First National Bank of Glendale, and that the balance will be used to pay matured interest, expenses incidental to this application and the improvement of the water system.

Although applicant does not ask authority from the Railroad Commission to issue the notes it appears that some of the funds obtained through the issue of notes will be used to pay indebtedness represented by notes. It will, therefore, be necessary for the Commission to authorize the issue of the notes as well as the execution of the mortgage.

A copy of the proposed mortgage, which applicant desires to execute, is attached to the petition here. This

mortgage is of the standard form.

Applicant reports that the earnings of the water plant are adequate to pay interest on \$5,700 indebtedness.

I herewith submit the following form of Order.

O R D E R

N. C. Kelley, doing business under the name of The North Glendale Distributing Company, having applied to the Railroad Commission for authority to execute mortgages to secure the payment of \$5,700 of indebtedness, a hearing having been held and the Commission being of the opinion that the money, property or labor to be procured or paid for by the issue of the notes is reasonably required for the purpose or purposes specified in the order;

IT IS HEREBY ORDERED that N. C. Kelley, doing business under the name of The North Glendale Distributing Company be, and he is hereby granted authority to issue a one year seven per cent \$5,000 note to the First National Bank of Glendale; to issue a one year seven per cent \$700 note to W. W. Lee and to execute mortgages substantially in the same form as the mortgage attached to the petition herein to secure the payment of the notes herein authorized to be issued, all upon the following conditions:

1. The notes herein authorized to be issued shall be issued at not less than the face value thereof.
2. The proceeds obtained through the issue of the notes herein authorized shall be used in part for the following purposes:

To pay indebtedness due Marshall	
Stimson - - - - -	\$ 1,830.
To pay indebtedness due First	
National Bank of Glendale - - -	3,200.

The remainder of the proceeds (\$730.) to be expended for purposes hereafter authorized by the Railroad Commission in a supplemental order or orders.

(3) The approval herein given of said mortgages is for the purposes of this proceeding only and an approval in so far as this Commission has jurisdiction under the terms of the Public Utilities Act, and is not intended as an approval of said mortgages as to such other legal requirements to which said mortgages may be subject.

(4) N. C. Kelley, doing business under the firm name of The North Glendale Distributing 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 shall make verified reports to the Commission showing the moneys realized from the issue of the notes and the use and application of such money, all in accordance with the Commission's General Order Number 24, which order, in so far as applicable, is made a part of this Order.

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

(6) The authority herein granted to issue notes shall apply only to such note or notes as

may be issued on or before August 1, 1918.

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

Dated at San Francisco, California, this

24th day of May, 1918.

Max Thelen

H. L. ...

Edwin O. Edgerton

Commissioners.