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ORIGINAL

Decision No. 6869

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
NORTH FORK DITCH COMPANY, a corpora-)	
tion, for an order authorizing it to)	Application No. 5099.
mortgage property and to execute a)	
mortgage and mortgage note.)	

Theodore J. Savage, for applicant.

DEVLIN, Commissioner.

O P I N I O N

This is an application of North Fork Ditch Com-
pany for permission to issue to C. W. Clarke Company, a 6 per cent
promissory note, due June 15, 1923, in the principal sum of \$150,000.
and to execute a mortgage on its property to secure the payment of
the note.

Applicant reports that on August 5, 1915, it issued
to C. W. Clarke Company, two 6 per cent notes of the aggregate face
value of \$158,000.00. Both notes, one for \$141,000.00, the other

for \$17,000.00 were payable June 15, 1916, but nothing has been paid on the principal of either note. The note for \$141,000.00 was issued pursuant to Decision Number 2319, dated April 21, 1915, for the purpose of refunding notes having a total face value of \$141,000.00. The issue of the \$17,000.00 note was not authorized by the Commission. Applicant intends to pay \$8,000.00 on the principal of the two notes, and refund the remainder, - \$150,000. - of the indebtedness through the issue of a new \$150,000.00 note, the payment of which is to be secured by a mortgage covering all of applicant's properties.

The record shows that applicant will levy an assessment upon its stockholders to obtain the moneys necessary to make the \$8,000.00 payment. It seems that the collection of the assessment should be made a condition precedent to the effective date of the authority herein granted.

Applicant reports that since August 6, 1915, the date on which the notes now outstanding were issued, it expended \$47,323.78 for extensions, additions and betterments to its plant and system.

I herewith submit the following form of Order:-

O R D E R

NORTH FORK DITCHE COMPANY having applied to the Railroad Commission for authority to issue a promissory note and to execute a mortgage, a public hearing having been held, and the Railroad Commission being of the opinion that the money, property or labor to be procured or paid for by such issue is reasonably required for the purposes specified in the order and that the expenditures for such purposes are not in whole or in part reasonably chargeable to operating expenses or to income;

IT IS HEREBY ORDERED that North Fork Ditch Company be, and it is hereby, authorized to issue a note to C. W. Clarke Company in the sum of \$150,000.00, said note to bear interest at a rate of not more than 6 per cent and to be payable on or before June 15, 1923.

IT IS HEREBY FURTHER ORDERED that North Fork Ditch Company be, and it is hereby, authorized to execute a mortgage on its properties to C. W. Clarke Company as security for the payment of said note; said mortgage to be substantially of the same form as the mortgage attached to the petition herein.

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

1.-The note herein authorized shall be issued to pay in part the \$158,000.00 indebtedness to C. W. Clarke Company represented by the two notes to which reference is made in the Opinion which precedes this order.

2.-The authority herein granted to issue a note and execute a mortgage will not become effective until applicant has filed with the Commission a statement showing that it has paid the remainder of the indebtedness to C. W. Clarke Company, amounting to \$8,000.00, through money obtained from an assessment on its capital stock.

3.-The approval herein given of said mortgage is for the purpose 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 mortgage as to such other legal requirements to which said mortgage may be subject.

4.-Within thirty days after the execution of the note and mortgage herein authorized, North Fork Ditch Company shall file with the Commission a verified copy of the note issued and the mortgage executed securing payment thereof.

5.-The authority herein granted will not become effective until applicant has paid the fee prescribed by the Public Utilities Act.

6.-The authority herein granted will apply only to such note and mortgage as may be executed on or before February 1, 1920.

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 26th day of November, 1919.

Edwin O. Edgerton
H. L. Loveland
Frank P. DeWitt
H. B. Underhill
Iving Martin

Commissioners.

Fee \$ 150.00
JAN 6 1920
H. M. [Signature]