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Decision No. 7155

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE
STATE OF CALIFORNIA.

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In the Matter of the Application of)
EAST GARDENA WATER COMPANY,)
for an order authorizing the issue) Application No. 5254.
of a promissory note secured by mort-)
gage.)

P.W. Sutter for applicant;
C.E. Donnelly for mortgagee.

BY THE COMMISSION:

O P I N I O N.

EAST GARDENA WATER COMPANY asks permission to issue a \$4,000.00 3-year 7 per cent note and execute a mortgage to secure the payment of the note.

A hearing was held in the above entitled matter before Examiner Westover in Los Angeles on February 6th.

Applicant reports that on April 20, 1915, it executed its 1-year 7½ per cent promissory note for \$3,000 to E.J. Bell and that on April 17, 1915, it executed its 1-year 8 per cent promissory note to Buena Nelson Swanson for the sum of \$1,000.

The money procured through the issue of the notes applicant reports was used to install a new pump unit and to lay 3000 feet of steel pipe. Since the issue of the notes, they have been assigned to William Bryant or Kittie B. Bryant. The holders of the notes ask that they be refunded through the issue of a new 3-year 7 per cent note secured by a mortgage, a copy of which has been filed with the Commission.

O . R . I . E . R .

EAST GARDENA WATER COMPANY having applied to the Railroad Commission for permission to issue a \$4,000.00 note and execute a mortgage, a public hearing having been held and the Commission being of the opinion that applicant reasonably requires the money to be procured by the issue of such note and that the expenditures herein authorized are not in whole or in part reasonably chargeable to operating expenses or to income;

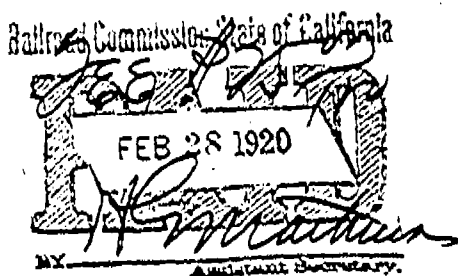
IT IS HEREBY ORDERED that EAST GARDENA WATER COMPANY be, and it is hereby, authorized to issue a \$4,000.00 note payable three years from date and to bear interest at the rate of 7 per cent per annum payable quarterly, and to execute a mortgage substantially in the same form as the mortgage filed in this proceeding, to secure the payment of the note; provided--

- 1.--That, the note herein authorized is to be issued at not less than par and the proceeds used to pay the \$4,000.00 face value of notes described in the petition herein and referred to in the preceding opinion;
- 2.--That, 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.
- 3.--That, East Gardena Water Company keep such record of the issue and sale of the note herein authorized and of the disposition of the proceeds as will enable it to file on or before the 25th day of each month a verified report, as required by the Railroad Commission's General Order No. 24, which order, in so far as applicable, is made a part of this order.

4.--That, the authority herein granted will not become effective until East Garden Water Company has paid the fee prescribed in the Public Utilities Act.

5.--That, the authority herein granted will apply only to such note as may be issued and to such mortgage as may be executed on or before July 1, 1920.

Dated at San Francisco, California, this 20th day of February, 1920.



Edwin A. Edgerton
H. H. ...
Frank R. ...
Dwight ...

Commissioners.