

Decision No. 7268**ORIGINAL**

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application)
of ANTELOPE CREEK AND RED BLUFF)
WATER COMPANY for an order author-) Application No. 5381
izing the issue of notes.)

Elliott McAllister, for applicant.

BY THE COMMISSION:

O P I N I O N

ANTELOPE CREEK AND RED BLUFF WATER COMPANY asks permission to issue its unsecured 6% note or notes for the sum of \$20,000.

A public hearing was held on this application before Examiner Satterwhite at San Francisco on March 10th.

Applicant reports that on February 26, 1916, it issued pursuant to the authority granted by Decision No. 3095, dated February 14, 1916, an \$11,000. note and that there is due on this note a balance of \$4,000. Applicant asks authority to use part of the proceeds obtained through the issue of the notes applied for in this application to pay the balance due on the note issued under the Commission's decision of February 14, 1916, and use the remainder to reimburse its treasury because of earnings invested in Fixed Capital.

Applicant reports that it will be necessary for it to purchase approximately 7,000 feet of 12 inch pipe to replace part of its transmission main. It is for the purpose of securing funds to make this replacement that applicant asks permission to issue a note or notes. The testimony shows that applicant has invested in fixed capital earnings in excess of \$16,000.00 and that it may therefore be permitted to borrow \$20,000.00 for the purposes indicated.

In Decision No. 7136, dated February 13, 1920, the Railroad Commission determined the present value of applicant's properties for rate fixing at \$135,707.00. Applicant reports no indebtedness outstanding except the \$4,000.00 still due on the note issued under a former order of the Commission.

Applicant asks permission to issue a note or notes for a term of one year and to renew the same from time to time, if necessary. It intends to pay at least \$2,000.00 of the principal of the note or notes each year.

O R D E R.

ANTELOPE CREEK AND RED BLUFF WATER COMPANY, having applied to the Railroad Commission for permission to issue a note or notes in the principal sum of \$20,000.00, 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 purpose or purposes specified in this order, and that the expenditures for such purpose or purposes are not in whole or in part reasonably chargeable to operating expenses or to income;

IT IS HEREBY ORDERED that ANTELOPE CREEK AND RED BLUFF WATER COMPANY, be, and it is hereby, authorized to issue its 6 per cent note or notes for the sum of not exceeding \$20,000.00.

The authority herein granted is upon the following conditions:-

- 1.--The note or notes herein authorized shall be issued by applicant for not less than par, and \$4,000.00 used to pay the balance due on note issued under the authority granted by the Commission in Decision No. 3095, dated February 14, 1916, and the remainder to reimburse applicant because of earnings invested in fixed capital, provided that such remainder be used by applicant to acquire and install the 7,000 feet of 12 inch transmission main referred to in the petition herein.
- 2.--Applicant may issue the note or notes herein authorized for a term of one year and renew the same from time to time by issuing a note or notes for a similar term, provided that upon each renewal \$2,000.00 of the principal is paid.
- 3.--Antelope Creek and Red Bluff Water Company shall keep such record of the issue and sale of the note or notes 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 Rail-Commission's General Order No. 24, which order, in so far as applicable, is made a part of this order.
- 4.--The authority herein granted will not become effective until applicant has paid the fee prescribed in the Public Utilities Act.

5. The authority herein granted will apply only to such note or notes as may be originally issued on or before November 1, 1920.

Dated at San Francisco this 15th day of March, 1920.

Edwin O. Egerton
H. D. Loveland

H. A. Prundige

Commissioners.

