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ORIGINAL

Decision No. 7605.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

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In the Matter of the application of the)
CLAREMONT DOMESTIC WATER COMPANY for an)
order authorizing the issue and sale)
of \$29,950.00 of its capital stock) Application No. 5597
to produce funds to pay outstanding)
obligations.)

George S. Sumner and L.F. Gillette for applicant.

LOVELAND, Commissioner.

O P I N I O N.

CLAREMONT DOMESTIC WATER COMPANY asks permission to issue and sell at not less than par \$29,950.00 of its common capital stock to pay outstanding indebtedness-

The Railroad Commission by Decision Number 624, dated April 29, 1913, authorized Claremont Domestic Water Company to issue \$70,000.00 of its stock to acquire the properties of Citizens Light and Water Company and assume the payment of that company's outstanding indebtedness of approximately \$8,500.00. By Decision No. 2168, dated February 24, 1915, the Commission authorized applicant to issue a note or notes of the aggregate face value of not exceeding \$20,000. and use \$8,500. to refund outstanding indebtedness and \$11,500. of the proceeds to pay for new construction.

Reports filed with the Commission show that applicant has issued the \$70,000. of stock and \$18,000 of notes.

In Exhibit "A", applicant reports that it has expended for extensions, additions and betterments to its plant from 1915 to May 1, 1920, the sum of \$31,709.78, and that on May 1, 1920, it had

an outstanding indebtedness of \$30,010, which includes the \$18,000 of notes mentioned above. The record shows that in order to pay for the construction of extensions, additions and betterments reported in Exhibit "A", applicant increased its indebtedness by the sum of \$21,010 and invested earnings in the amount of \$10,699.78. On account of the investment of earnings, applicant may properly be permitted to issue its stock for the purpose of reimbursing its treasury and paying indebtedness.

I herewith submit the following form of Order:

O R D E R.

CLAREMONT DOMESTIC WATER COMPANY having applied to the Railroad Commission for permission to issue \$29,950.00 of stock, a public hearing having been held and the 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 CLAREMONT DOMESTIC WATER COMPANY be, and it is hereby, authorized to issue and sell on or before December 31, 1920 at not less than par, \$29,950.00 of its common capital stock provided that applicant will use not exceeding \$10,699.78 of the proceeds to reimburse its treasury on account of earnings invested in extensions, additions and betterments to its plant, and after such reimbursement use the \$10,699.78, together with the remainder of the proceeds obtained from the sale of this stock, to pay indebtedness reported in Exhibit "A"; and

Provided further that applicant will keep such record of the issue and sale of the stock herein authorized and of the disposition of the proceeds as will enable it to file on or before the twenty-

fifth 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.

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 24th day of May, 1920.

Edwin C. Edger
H. D. Lovell
H. H. Brundage
Iving Martin
Commissioners.