

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the matter of the application of)
 Frank P. Cady and Rilla E. Cady, co-)
 partners, owners of Susanville Water)
 Works, for an order authorizing the) Application No. 418.
 issue of a note or notes, secured by)
 mortgage upon the Water System of)
 petitioners, in the total sum of)
 \$10,000.)

EDGERTON, Commissioner.

O P I N I O N

This is an application by Frank P. Cady and Rilla E. Cady, for an order authorizing the issuance of a promissory note in the principal sum of \$10,000.00, heretofore executed by said Frank P. Cady and Rilla E. Cady in favor of Mrs. Millie Alexander, and for an order authorizing the execution of a mortgage upon the Susanville Water Works to secure the payment of said promissory note.

The property here involved is owned by applicants and consists of a water producing and distributing system in and about the Town of Susanville.

No valuation of the property of applicants has been made by the Commission, but applicants submit a statement claiming a value of \$43,935.23, and while I do not find this is the real value of the property of applicants, I am satisfied that there is sufficient security to warrant the issuance of the note herein asked to be authorized.

Indebtedness has been incurred from time to time for purposes properly chargeable to capital account, and the \$10,000.00 note herein asked to be authorized represents a consolidation of all of the indebtedness of applicants.

The note and mortgage herein asked to be authorized were executed, or attempted to be executed, by applicants on July 19, 1912, but this was contrary to the Public Utilities Act, and of course, void without the authorization of this Commission. I am satisfied that there was no intention to evade the provisions of said Act.

I recommend that the application be granted, and submit herewith the following form of order:

O R D E R

Application having been made to the Railroad Commission of the State of California for an order authorizing Frank P. Cady and Rilla E. Cady, co-partners, to issue a promissory note in favor of Mrs. Millie Alexander for the principal sum of \$10,000.00, with interest at the rate of 7 per cent per annum, and for an order authorizing the execution by said applicants of a mortgage in favor of said Mrs. Millie Alexander on all of that certain property known as the Susanville Water Works, more particularly described in Exhibits 1 and 2, attached to the application herein,

And a hearing having been held and it appearing to the Commission that the money secured by the issue of said promissory note, secured by said mortgage is necessary and reasonably required by said company for the discharge of its obligations, and that the purposes for which the proceeds of said note are to be used are not in whole or in part reasonably chargeable to operating expenses or to income,

IT IS HEREBY ORDERED that the Railroad Commission of the State of California does hereby authorize the issue by Frank P. Cady and Rilla E. Cady of a promissory note of the face value of \$10,000.00, bearing interest at the rate of 7 per cent per annum, dated July 19, 1912, payable two years after

date, in favor of Mrs. Millie Alexander, and it does further authorize said Frank P. Cady and Rilla E. Cady to execute a mortgage in favor of said Mrs. Millie Alexander on that certain property known as the Susanville Water Works, which is more particularly described in Exhibits 1 and 2, on file with the application herein, reference to which is hereby made.

This order is made upon the following conditions:

1. Frank P. Cady and Rilla E. Cady shall receive for the promissory note hereby authorized the full face value thereof, and shall use the proceeds for the purpose of discharging and paying the indebtedness described in the application herein.
2. Frank P. Cady and Rilla E. Cady shall immediately upon the issuance of this order, file with the Commission satisfactory evidence that all of the indebtedness, except the \$10,000.00 of indebtedness hereby authorized, has been satisfied, paid and discharged.

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 *1st* day of July, 1913.

John W. ...
Edwin O. Edgerton

Commissioners.

*Regarding,
No fee. M.*