

ORIGINAL

Decision No. 8779.

BEFORE THE RAILROAD COMMISSION OF
THE STATE OF CALIFORNIA.

In the Matter of the Application of)
W. Cromlie,)
conducting a telephone exchange at)
and in the neighborhood of Corcoran,)
California, for an order authorizing)
the issuance of promissory notes in)
the amount of \$4,500.00, with inte-)
rest at 8%, and for an order autho-)
rizing W. Cromlie to mortgage the)
said telephone exchange property as)
security for said notes.)

Application
Number
6641.

Thos. R. White for applicant.

DEVILIN, Commissioner.

O P I N I O N.

W. CROMLIE, owner of the telephone exchange and appurtenances in the City of Corcoran, Kings County, asks permission to execute a mortgage to secure the payment of \$4,500.00 of serial 8 per cent notes and issue and sell said notes at par. W. Cromlie intends to issue sixteen (16) promissory notes, each in the amount of \$281.50, -the first note being payable July 15, 1921 and a note of like amount to mature every three months thereafter, -the last note being payable April 15, 1925.

Applicant reports that his property consists in the main of a 105 line magneto switchboard connected to outside plant by 1-100 pair and 1-50 pair lead covered telephone cables, together with necessary appurtenances. Applicant serves the City of Corcoran and the surrounding country within a radio of three miles from the central office and gives connecting service to farmer telephone lines built, owned and maintained by the farmers outside of the

city limits of Corcoran. Applicant further reports that his present plant and facilities are inadequate and that it is necessary for him to expend about \$4,500.00 for the installation of an additional section of switchboard, moving the present central office to a new location, for the placing of aerial cable throughout the main portion of the exchange, for removing a small amount of open wire construction, for re-routing lines to provide for additional business and to improve the service. It appears from the record in this proceeding that through the expenditure of the \$4,500.00, applicant will be in a position to give greatly improved telephone service and to take on new subscribers which are now asking for telephone service. At the present time, applicant reports that there are 120 telephones in use.

Applicant has no mortgage on the present plant. A copy of the proposed mortgage is filed in this proceeding. The proposed mortgage is of the usual form.

I herewith submit the following form of Order.

O R D E R.

W. CROMLIE having applied to the Railroad Commission for permission to execute a mortgage and to issue \$4,500.00 face value of notes, 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 W. CROMLIE be, and he is hereby, authorized to execute a mortgage substantially in the same form as the mortgage filed in this proceeding and marked Exhibit "B", provided --

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.

IT IS HEREBY FURTHER ORDERED, that W. CROMLIE be, and he is hereby, authorized to issue promissory notes in the total amount of \$4,500.00, bearing interest at not exceeding 8 per cent per annum, the payment of said notes to be secured by the mortgage herein authorized to be executed.

The authority herein granted is subject to further conditions as follows:

- 1.-- The notes herein authorized to be issued shall be sold by applicant at not less than their face value and the proceeds used to pay for the acquisition and construction of the telephone properties described in this application and for the improvement of applicant's service.
- 2.-- W. Cromlie shall keep such record of the issue and sale of the serial notes herein authorized and of the use of the proceeds as will enable him 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.
- 3.-- The authority herein granted will not become effective until W. Cromlie has paid the fee prescribed in the Public Utilities Act.

