

SR

Decision No. 9354

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of  
the Compton Water and Lighting Company  
for an order authorizing the Company  
to mortgage its plant.

} Application No. 6760.

E. E. Elliott, for applicant.

BY THE COMMISSION:

OPINION

Compton Water and Lighting Company applies for authority to issue a note for not over \$5,000.00 for not to exceed five years, to execute mortgage to secure the payment of the note and to use the proceeds of the note to pay for extensions and improvements heretofore installed.

A public hearing upon the application was held by Examiner Westover at Los Angeles. At the hearing witnesses arranged to prepare and submit as part of their testimony exhibit showing cost of extensions and improvements and balance sheet as of June 1, 1921. This exhibit has been received and the application is now submitted and ready for decision.

The Company filed, before the hearing, a supplemental application for authority to issue stock for the purpose of securing a lot on which is located a ten-inch well, but it subsequently advised that it had decided to abandon the plan to issue stock. Therefore the matter of issuing stock will not be discussed herein.

It appears from the testimony presented at the hearing that there has been great building activity in and

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around Compton and that applicant has piped several additions or subdivisions, and has made other improvements incident to the extension of its system, such as laying about 1,000 feet of four-inch pipe on Orange street, under the railroad tracks, and increasing the size of 2,200 feet of pipe to four-inch, besides installing about 160 new services during the year. Some of the tracts were piped under an agreement with the owners by which the owners advanced the cost, which was to be repaid to the tract owners at the rate of \$25.00 as each consumer came on the new line. On June 1, 1921, these rebates for 142 consumers amounted to \$3,350. The 160 new services, however, had to be installed at the cost of the Company. The Company's statement of the situation on June 1, 1921, showed applicant owing for

Pipe, material, meters, etc.....	\$5216.58
Bills Payable.....	2000.00
	<u>\$7216.58</u>
Due from subdividers, account main extensions...	\$4482.00
Balance.....	2734.58
	<u>\$6284.58</u>
Refund to tract owners, under agreement.....	\$3550.00
Balance.....	\$6284.58

Since submitting the above exhibit, applicant advises that it has also become necessary to install a new pump at a cost of \$1,000.00 or more.

Under the circumstances shown, we authorize the issue of note and execution of mortgage.

ORDER.

A public hearing having been held upon the above entitled application, the matter being now submitted and ready for decision, and the Commission being of the opinion that the money, property or labor to be procured or paid for

for by said note 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 Compton Water and Lighting Company be and it is hereby authorized to execute a note or notes for a total sum not exceeding \$5,000.00 in amount, for a term or terms not exceeding five years, at a rate of interest not exceeding seven per cent per annum and use the proceeds of said note or notes for the purpose of discharging its lawful obligations incurred in acquiring property or constructing, completing, extending or improving its facilities.

And said Company is hereby further authorized to execute mortgage securing the payment of said note or notes, said mortgage to be a first lien upon the West One-Half of Lot 5, Block 2, of Wright's Addition to the City of Compton, as per map recorded in Book 7, Page 55, Miscellaneous Records of Los Angeles County, together with the pumping plant, machinery and equipment thereon and all pipe lines and water mains comprising the water system of said Compton Water and Lighting Company.

The above authority is granted upon the following conditions:

1. The authority herein granted shall apply only to such note or notes and mortgage or mortgages as may be issued on or before sixty days from date hereof.

2. Within ten days after date of issuing said note or notes and executing said mortgage, said applicant shall file with the Railroad Commission a verified copy thereof, with verified report in accordance with the 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 shall not become effective until applicant has paid the fee prescribed in the Public Utilities Act.

Dated at San Francisco, California, this 13<sup>th</sup>  
day of August, 1921.

H. A. Brundage

H. D. Loveland

Irving Mastria

Charles H. Brown

H. J. Leonard

Commissioners.

Fee \$95.00  
\$75.74

AUG 20 1921  
Chas. H. Brown