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Decision No. 9436.

BEFORE THE RAILROAD COMMISSION OF THE
STATE OF CALIFORNIA

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ORIGINAL

In the Matter of the Application of)
EUCLID AVENUE WATER COMPANY)
for an order authorizing the issue)
of a note and execution of a mort-)
gage in favor of Mr. Ernest Fleur.)

Application No. 7088

Theodore F. Taylor for applicant.

BY THE COMMISSION:

O P I N I O N

EUCLID AVENUE WATER COMPANY asks permission to issue a \$2,500.00 7 per cent. 5-year note and to execute a mortgage to secure the payment of the note.

A hearing was had on this application before Examiner Williams at Los Angeles on August 24th.

Applicant intends to acquire at a total cost of \$3,000.00 a piece of real property 330 feet long x 127½ feet wide adjoining the lot now owned by it. It has agreed to pay \$500.00 of the purchase price in cash and issue a \$2,500.00 7 per cent. 5-year note for the remainder. Applicant's secretary is of the opinion that it should acquire this additional property for the purpose of protecting its water supply and to secure the property while available at a reasonable price. Applicant does not at this time intend to construct any improvements on the property which it has agreed to purchase. Inasmuch as applicant is acquiring property which for the time being at least appears to be non-operative, the order herein will permit the issue of the note provided that applicant will not urge the Commission to include in a rate base the cost of the properties acquired.

The mortgage which applicant asks permission to execute will be a lien only on the property which it intends to acquire. It will not be a lien on any of the company's present operative properties.

O R D E R

EUCLID AVENUE WATER COMPANY having applied to the Railroad Commission for permission to issue a \$2,500.00 7 per cent. 5-year note and execute a mortgage, a public hearing having been held and the Commission being of the opinion that the money, property or labor to be procured through the issue of the note is reasonably required by applicant and that this application should be granted subject to the conditions of this order;

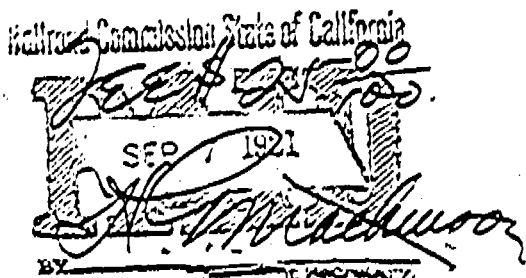
IT IS HEREBY ORDERED, that EUCLID AVENUE WATER COMPANY be, and it is hereby, authorized to issue a \$2,500.00 7 per cent. 5-year note and to execute a mortgage substantially in the same form as that filed in this proceeding to secure the payment of said note.

The authority herein granted is subject to the following conditions:-

- 1.--The proceeds realized through the issue of the note shall be used by applicant to pay in part the cost of acquiring the properties described in this application.
- 2.--The authority herein granted to execute a mortgage is for the purpose of this proceeding only, and is granted 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 such mortgage may be subject.

- 3.--By exercising the authority herein granted, applicant agrees that it will not urge the Commission to include in a rate base any of the properties which it is herein permitted to acquire so long as such properties are of a non-operative character.
- 4.--The authority herein granted will not become effective until applicant has paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which fee amounts to \$25.00.
- 5.--Euclid Avenue Water Company shall keep such record of the issue of the note herein authorized and of the use 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 Railroad Commission's General Order No. 24, which order in so far as applicable, is made a part of this order.
- 6.--The authority herein granted will apply only to such note as may be issued and delivered on or before December 1, 1921.

DATED at San Francisco, California, this 30th day of August, 1921.



H. P. Anderson
H. D. Loveland
Dwight Martin
J. P. [unclear]
 Commissioners.