

ORIGINAL

Decision No. 9938.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 SAN JOSE WATER WORKS,)
 a corporation, for an order authori-) Application No. 7418
 zing said San Jose Water Works to)
 refund outstanding notes.)

Joseph P. Ryland for Applicant.

BENEDICT, Commissioner.

O P I N I O N

SAN JOSE WATER WORKS, a corporation, asks permission to issue \$172,700.00 face value of notes for the purpose of refunding a like amount of notes. A list of the notes which applicant intends to refund are contained in paragraph "6" of applicant's petition.

Applicant reports that from December 1, 1920 to December 1, 1921, it expended for the acquisition of properties and the construction of additions and betterments the sum of \$211,809.92. These expenditures are segregated by applicant as follows:-

Real Estate,.....	27,728.00
Buildings, Structures and Grounds,.....	3,959.33
Impounding Dams and Reservoirs,.....	28,537.76
Wells,.....	13,323.47
Collecting reservoirs and intake wells,.....	3,905.64
Pumping Equipment,.....	17,945.43
Distribution Mains and Canals,.....	76,321.51
Services,.....	12,778.27
Meters,.....	42,688.36
Stable and Garage Equipment,.....	3,740.01
Shop Equipment,.....	727.92
Office Fixtures,.....	154.22
Total,.....	<u>\$211,809.92</u>

All of the notes which applicant asks permission to refund, except a \$74,400.00 note held by the Crocker National Bank of San Francisco, bear interest at the rate of 6 per cent. per annum. The Crocker National Bank of San Francisco note bears interest at the

rate of 7 per cent. per annum. None of the notes are secured by a lien on applicant's properties, nor are any of them, according to applicant's president, endorsed by its stockholders.

Applicant has no bonded indebtedness.

I herewith submit the following form of order, which permits applicant to issue notes for a term of one year or less for the principal sum of \$172,700.00.

O R D E R

SAN JOSE WATER WORKS, a corporation, having applied to the Railroad Commission for permission to issue notes of the face value of \$172,700.00, 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 by applicant, and that the expenditures herein authorized are not in whole or in part reasonably chargeable to operating expenses or to income;

IT IS HEREBY ORDERED, that SAN JOSE WATER WORKS, a corporation, be, and it is hereby, authorized to issue at not less than par for a term of one year or less notes in the face amount of not exceeding \$172,700.00 for the purpose of refunding the notes listed in paragraph "6" of the petition in this proceeding.

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

- 1.--San Jose Water Works, a corporation, may pay interest at the rate of not exceeding 7 per cent. per annum on the notes herein authorized to be issued.
- 2.--If San Jose Water Works, a corporation, issues a note for a term of less than one year, such note may be renewed from time to time, provided that the term of the note issued originally under the authority herein

granted and the term of all notes issued in renewal thereof shall not exceed one year from the date of the note originally issued under the authority herein granted.

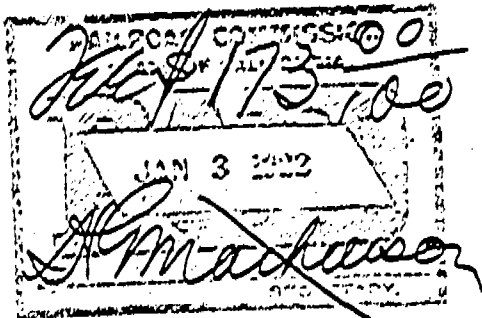
3.--San Jose Water Works, a corporation, shall keep such record of the issue and sale of the notes herein authorized and of the disposition of the proceeds as will enable it to file on or before the 25th day of each month a verified report as required by the Railroad Commission's General Order No. 24, which order in so far as applicable is made a part of this order.

4.--The authority herein granted will not become effective until San Jose Water Works, a corporation, has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee amounts to \$173.00.

5.--The authority herein granted will apply only to such notes as may be issued on or before October 1, 1922.

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 29th day of December, 1921.



H. B. Anderson
H. D. Forward
Charles W. Brown
J. J. Dennis
Commissioners.