

Decision No. 28228

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of the )  
INDEPENDENCE WATER COMPANY )  
for permission to borrow money and issue ) Application No. 20206  
promissory note. )

BY THE COMMISSION:

OPINION AND ORDER

Independence Water Company, a corporation, has applied to the Railroad Commission for an order authorizing it to issue its unsecured promissory note for \$2,000.00, payable two years after date of issue, with interest at the rate of 7% per annum, for the purpose of paying the cost of installing a new pipe line.

The company is engaged in the business of selling and delivering water for domestic use in and about the Town of Independence, Inyo County. As of December 31, 1934 it reports investment in fixed capital of \$15,542.34 and cash and special deposits of \$2,226.06, making total assets of \$17,768.40, against which it reports capital stock of \$7,620.00, income invested in fixed capital of \$7,922.34 and corporate surplus unappropriated of \$2,226.06. It reports no indebtedness and no reserve for accrued depreciation.

The company alleges that it has become necessary for it to replace an existing main pipe line. At an estimated cost of \$2,152.68 it proposes to install new pipe lines consisting of approximately 2442 feet of eight inch, six and five-eighths inch, and three and one half inch pipe. The old line, it is reported, will be abandoned because of its age and the cost which would be involved to recover it. This line, we are advised, is now carried in the company's fixed capital account at about \$3,000.

It appears that the \$2,226.06 of cash on hand at the close of 1934 has been expended in making other pipe line installations and that it is necessary for the company to borrow the money, as now requested, to pay for the improvement referred to in this application. The company should, of course, in making the replacement, credit the estimated cost of the old line to its fixed capital accounts and charge the amount to Account 33-Income invested in fixed capital, or to Account 36-Corporate surplus, as may be appropriate.

It appears to the Commission that this is not a matter in which a public hearing is necessary, that the application should be granted, as herein provided, and that the money, property or labor to be procured or paid for through the issue of the note is reasonably required for the purpose specified herein, therefore,

IT IS HEREBY ORDERED that Independence Water Company be, and it hereby is, authorized to issue on or before June 30, 1936, its unsecured promissory note in the principal amount of not exceeding \$2,000.00, payable on or before two years after date of issue with interest at not exceeding 7% per annum for the purpose of financing the cost of installing the new pipe line referred to herein, provided,

1. That applicant shall keep such record of the issue of the note herein authorized and of the expenditure of the proceeds as will enable it to file a report, or reports, as required by the Railroad Commission's General Order No. 24, which order, insofar as applicable, is made a part of this order; and

2. That the authority herein granted shall become effective when applicant has paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which fee is Twenty-five (\$25.00) Dollars.

DATED at San Francisco, California, this 15 8 day of November, 1935.

M. A. Carr

M. W. Peters  
Paul R. Stevens

Commissioners.

