

Decision No. 28835

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of the)
PORTOLA WATER COMPANY,)
a corporation, for permission to renew) Application No. 20536
loan and execute deed of trust.)

Young & MacMillan, for applicant.

BY THE COMMISSION:

O P I N I O N

Portola Water Company, a corporation, has applied to the Railroad Commission for permission to execute a deed of trust and a chattel mortgage and to issue a note in the principal amount of \$6,000. payable in monthly installments of \$100. with interest at the rate of seven percent. per annum, payable monthly.

Heretofore, pursuant to authority granted by Decision No. 21119, dated May 16, 1929, applicant issued its \$10,000. seven percent three year promissory note for the purpose of refunding outstanding indebtedness of \$4,000. and of financing the cost of installing additions and improvements to its water system. Of the amount thus borrowed the present application shows that there is now unpaid and due the sum of \$4,250.00 plus \$98.33 of accrued and unpaid interest.

It appears that the holder of the note now asks payment of the note. The company reports that in addition it has incurred obligations, approximating \$1,500., for attorney's fees, for costs and expenses in perfecting title to its property, for litigation in collecting unpaid water bills and for surveys and purchase of rights of way and reservoir sites, all as set forth in some detail in a statement filed in this proceeding on May 18, 1936. It estimates that further expenditures of from \$200. to \$300. will be incurred in completing

an abstract of title and in the preparation and execution of the necessary instruments to effect the loan of \$6,000. now proposed.

The company reports that it has not sufficient funds on hand to meet the various items of indebtedness and that accordingly it has made arrangements to borrow the sum of \$6,000. from Bank of America, National Trust and Savings Association, Quincy Branch. The loan, it is planned, will be evidenced by a seven percent. note payable in monthly installments of \$100. secured by a deed of trust, a copy of which was filed with the application as Exhibit "A", and by a chattel mortgage, a copy of which was filed in this proceeding on May 18, 1936.

Applicant in its 1935 annual report to the Commission shows the ledger value of its fixed capital in service at \$57,693.38 and its reserve for depreciation at \$22,163.71, leaving a net figure of \$35,529.67. Its present indebtedness consists of the \$4,250.00 note mentioned. Its gross revenues for the year 1935 are set forth at \$9,312.11 and its net revenue, before depreciation, at \$3,291.88.

It appears that applicant's properties and earnings should be ample to support the proposed note issue and that an order granting the company's requests accordingly should be entered.

ORDER

Portola Water Company having applied to the Railroad Commission for authority to execute a deed of trust and a chattel mortgage and to issue a note for \$6,000., and the Commission being of the opinion 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 purposes specified herein, therefore,

IT IS HEREBY ORDERED that Portola Water Company bc, and it hereby is authorized to issue its seven percent. promissory note in the principal amount of \$6,000.00 payable in monthly installments of \$100., for the purpose of paying the note and other indebtedness referred to in the foregoing opinion and in the application and to secure the payment of said note Portola Water Company may execute a deed of trust substantially in the same form as that filed in this proceeding as Exhibit "A" and a chattel mortgage substantially in the same form as that filed with the Commission in this proceeding on May 18, 1936, provided-

1. That the authority herein granted to execute a deed of trust and a chattel mortgage is for the purpose of this proceeding only and is given only insofar as this Commission has jurisdiction under the terms of the Public Utilities Act and is not intended as an approval of said deed of trust and said chattel mortgage as to such other legal requirements to which they may be subject; and
2. That applicant shall keep such record of the issue of the note herein authorized and of the disposition of the proceeds as will enable it to file a report, or reports, as required by the Railroad Commission's General Order No. 24-A, which order, insofar as applicable, is made a part of this order; and
3. That the authority herein granted will 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.

4. That applicant, within thirty(30) days after the execution of said deed of trust and said chattel mortgage file with the Railroad Commission a complete and true copy of each of said instruments.

DATED at San Francisco, California, this 21st day of May, 1936.

M B Davis
Leon Whitely
W. H. Lee
J. H. [unclear]
James R. [unclear]

Commissioners.

Fee \$ 25⁰⁰/₁₀₀
RAILROAD COMMISSION
STATE OF CALIFORNIA
JUN 2 1936
[Signature]
Fee # 32715