

Decision No. 28148

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

J. Wayne Darling, John W. Janes,
Orla L. Siple, and Martin A. Emerick,
Complainants,

vs.

Emeline A. Swift, Laura V. Swift,
C.C. Juster, May V. Juster, Frank
Laughlin, and Naoma Laughlin, conduct-
ing a public utility water business
under the name and style of MONTECITO
OIL PLACER MINE,

and

Emeline A. Swift, Laura V. Swift,
C. C. Juster, May V. Juster, Frank
Laughlin, and Naoma Laughlin,
Defendants,

ORIGINAL

Case No. 3557

In the Matter of the Investigation
upon the Commission's own motion into
the reasonableness of the rates, rules,
regulations, contracts, practices,
operations, service, or any of them,
of EMELINE A. SWIFT, LAURA V. SWIFT,
C. C. JUSTER, MAY V. JUSTER, FRANK
LAUGHLIN and NAOMA LAUGELIN, operating
a public utility water system under
the fictitious name and style of Mon-
tecito Oil Placer Mine in and in the
vicinity of Summerland, Santa Barbara
County, California.

Case No. 3757

In the Matter of the Application of
TORO CANYON COMPANY, INC. for leave
to issue and dispose of its securities
in exchange for the property and as-
sets of Montecito Oil Placer Mine.

Application No. 19793

In the Matter of the Application of
TORO CANYON COMPANY, INC.
for leave to mortgage its property
to secure a loan for purpose of making
improvements.

Application No. 20333

BY THE COMMISSION:

SUPPLEMENTAL OPINION AND ORDER

The Railroad Commission by Decision No. 28148 dated August 5,
1935, as amended, among other things, directed Toro Canyon Company, Inc.

to install certain improvements on its water system, estimated at that time to cost approximately \$8,000., as outlined in some detail in these proceedings. Thereafter, by Decision No. 28537, dated February 1, 1936, it authorized the company to issue a promissory note in the principal amount of \$8,000. payable on or before ten years after date of issue with interest at not exceeding six per cent. per annum to finance the cost of the proposed improvements.

The company has not yet issued the long term note authorized by Decision No. 28537. It did on June 17, 1937 issue its 90-day 6% note for \$8,000. to provide in part the cost of the improvements. At that time it advised the Commission that when the cost had been determined it would issue its long term note to pay the indebtedness and to finance the improvements.

In a supplemental application filed on November 20, 1937 the company now reports that the improvements have been practically completed but that due to unforeseen increases in the cost of labor and materials and to additional work performed, it became necessary for it to expend an additional sum of \$1,000. and it asks for permission to execute a promissory note for \$9,000. payable in monthly installments of \$35., beginning on June 15, 1938 and continuing up to and including June 15, 1939 and \$50. a month beginning July 15, 1939 and continuing up to and including October 15, 1942 and the balance on November 15, 1942, with interest at the rate of 6% per annum, for the purpose of paying the outstanding note of \$8,000. and of financing the total cost of the improvements. The payment of the note will be secured by the pledge of 500 shares of the capital stock of the company now outstanding.

The Commission has considered this request and is of the opinion that a further hearing is not necessary, 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 and that the ex-



penditures for such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income, therefore,

IT IS HEREBY ORDERED that the order in Decision No. 28537, dated February 1, 1936, be and it hereby is modified so as to permit Toro Canyon Company, Inc. to issue, on or before December 31, 1937, its promissory note in the principal amount of \$9,000. payable as indicated herein, in lieu of the \$8,000. note referred to in said decision, for the purpose of paying the short term note now outstanding and of financing the cost of the improvements referred to herein, provided-

1. That within sixty(60) days after the issue of the note herein authorized, applicant shall file with the Commission a copy thereof and a statement showing the purposes for which the proceeds were used; and

2. That the authority herein granted shall become effective upon the date hereof.

DATED at San Francisco, California,
this 29th day of November, 1937.


Commissioners.