

Decision No. 23703

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
CALIFORNIA WATER SERVICE COMPANY,  
a corporation,  
for an order authorizing it to issue  
its promissory note.

ORIGINAL

Application No. 23703

BY THE COMMISSION:

O P I N I O N

California Water Service Company, under the authority granted in Decision No. 28798, dated May 11, 1936, in Application No. 20497, issued \$550,000 principal amount of serial notes dated May 1, 1936. The notes mature serially in amounts of \$55,000 per annum beginning May 1, 1937. Of said notes \$330,000 have not yet matured and are now outstanding. These outstanding notes mature and bear interest as follows:

<u>Face Amount</u>	<u>Maturity Date</u>	<u>Rate of Interest</u>
\$55,000	May 1, 1941	3.25%
\$55,000	May 1, 1942	3.75%
\$55,000	May 1, 1943	4.00%
\$55,000	May 1, 1944	4.00%
\$55,000	May 1, 1945	4.25%
\$55,000	May 1, 1946	4.25%

Applicant proposes to call for redemption and pay from funds in its treasury the \$110,000 face value of the serial notes maturing May 1, 1941 and May 1, 1942. For the purpose of paying the remainder of the notes it desires to issue to American Trust Company a \$220,000 note maturing in yearly installments of not less than \$55,000. The first installment is due May 1, 1941. The \$220,000 note will bear interest at the rate of 2% per annum. The note will reserve to ap-

plicant the right to make anticipatory payments. If applicant pays all of the promissory note within two years after its issue, the rate of interest payable by applicant from the date of execution to the date of satisfaction shall be 1-1/2% instead of 2% otherwise provided. The note will be unsecured. A copy of the note is filed in this proceeding as Exhibit "A."

#### ORDER

The Commission having considered the request of California Water Service Company and it being of the opinion that this is not a matter on which a hearing is necessary, that the money, property, or labor to be procured or paid for through the issue of the note herein authorized, is reasonably required for the purposes herein stated, and that the expenditures for such purposes are not in whole or in part reasonably chargeable to operating expenses or to income, and that this application should be granted as herein provided, therefore

IT IS HEREBY ORDERED that California Water Service Company be, and it is hereby authorized to execute, issue and deliver on or before December 1, 1940, to American Trust Company its note in the principal amount of \$220,000, said note to be in the same form as the note filed in this proceeding as Exhibit "A."

IT IS HEREBY FURTHER ORDERED that California Water Service Company shall use the proceeds realized through the issue of said \$220,000 note to pay in part the \$220,000 serial notes to which reference is made in the foregoing opinion.

IT IS HEREBY FURTHER ORDERED that within thirty (30) days after the issue of the \$220,000 note herein authorized, California

Water Service Company shall file with the Commission a copy of said note together with a statement showing the proceeds realized through the issue of said note and the purposes for which said proceeds were expended.

Dated at San Francisco, California, this 24<sup>th</sup> day of September, 1940.

Ray & Rice  
Grant L. Allen  
Ralph W. Keenan  
J. H. Miller  
Justus F. Coe  
Commissioners