

Decision No. 24139

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application

-of-

THELMA S. BALDRY doing business under the firm name and style of "MADDEN CREEK WATER COMPANY" for an order authorizing said Company to borrow money and execute a promissory note and deed of trust therefor.

ORIGINAL

Application No. 24139

BY THE COMMISSION:

OPINION AND ORDER

This is an application by Thelma S. Baldry for permission to issue a promissory note in the principal amount of \$2,000 and execute a deed of trust to secure the payment of such note.

Thelma S. Baldry, doing business under the firm name and style of Madden Creek Water Company, is engaged in supplying water for domestic purposes to certain consumers in and near the vicinity of Homewood, Placer County. Her annual reports to the Commission show the revenues and expenses from the operation of the water system as follows:

	<u>1938</u>	<u>1939</u>	<u>1940</u>
Operating revenues	\$1,624.00	\$1,639.00	\$1,694.50
Operating expenses (exclusive of depreciation)	<u>626.61</u>	<u>523.40</u>	<u>592.99</u>
Balance	<u>997.39</u>	<u>1,115.60</u>	<u>1,101.51</u>
Depreciation	<u>234.28</u>	<u>234.28</u>	<u>236.05</u>
Interest	<u>144.00</u>	<u>108.00</u>	<u>108.00</u>
Net profit	<u>\$ 619.11</u>	<u>\$ 773.32</u>	<u>\$ 757.46</u>

The reported investment in fixed capital is \$13,594.90 and the accumulated reserve for depreciation, \$2,400.27, as of December 31, 1940.

For the purpose of financing the cost of additions and improvements to the water system, the former owner of the properties, Hattie S. Saunders, under authority granted by the Commission by Decision No. 25755, dated June 1, 1931, issued a three-year note in the principal amount of \$1,800, dated May 23, 1931, and bearing interest at the rate of 8% per annum.

The present application shows that the note is still outstanding, that, in addition to the principal amount, there is unpaid interest in the sum of \$960, making a total obligation of \$2,760, and that the holder of the note, G. A. Richardson, has demanded payment of the note and has agreed to accept the sum of \$2,160 in full settlement of the unpaid principal and interest. Applicant, accordingly, proposes to borrow the sum of \$2,000 from The Capital National Bank of Sacramento and to use said sum, together with \$160 of cash on hand, to pay and discharge the indebtedness due G. A. Richardson represented by the outstanding note, now past due, and the accrued interest thereon.

The \$2,000 to be borrowed from the bank will be evidenced by a promissory note payable five years after its date with interest at the rate of 6% per annum. As security for the payment of the note, applicant proposes to execute a deed of trust on certain properties, including the water system, a copy of which deed of trust has been filed in this proceeding as Exhibit "B."

The Commission has considered this matter and is of the opinion that a public hearing is not necessary, that the proposed deed of trust is in satisfactory form, 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

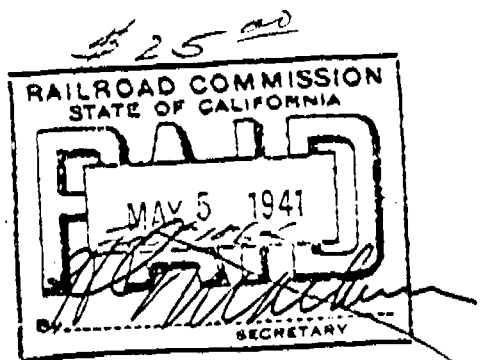
IT IS HEREBY ORDERED that Thelma S. Baldry, doing business under the firm name and style of Madden Creek Water Company, be, and she hereby is, authorized to execute a deed of trust in, or substantially in, the same form as that filed in this proceeding as Exhibit "B," and to issue a promissory note in the principal amount of \$2,000, payable on or before five years after its date, with interest at the rate of 6% per annum, payable monthly, for the purpose of obtaining funds to pay and discharge the \$1,800 note now outstanding and accumulated and unpaid interest thereon, provided that -

1. The authority herein granted to execute a deed of trust is for the purpose of this proceeding only and is granted 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 as to such other legal requirements to which it may be subject.

2. 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.

3. Within thirty (30) days after execution of the deed of trust and the note herein authorized, applicant shall file a copy of said deed of trust and a copy of said note with the Commission.

Dated at San Francisco, California, this 29th day of April, 1941.



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Francis L. Havener
Commissioners