

Decision No. 39571

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)

of)

NORTE FORK DITCH COMPANY, a corporation, for an order authorizing it to borrow money and to execute its promissory note therefor secured by mortgage.)

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ORIGINALApplication
No. 27928O P I N I O N

North Fork Ditch Company, applicant herein, is a corporation engaged in the business of furnishing water primarily for irrigation purposes in the Counties of Sacramento and Placer. It reports its operating revenues at \$52,257 for 1945 and at \$27,681 for the eight months ending September 1, 1946, its net operating revenue at \$12,278 for 1945 and net operating loss of \$1,512 for the first eight months of 1946. Its assets and liabilities, as of September 1, 1946, are reported as follows:

Assets:

Fixed capital	\$679,031.92	
Less: Reserve for depreciation	<u>177,445.51</u>	\$501,586.41
Cash and accounts receivable		1,404.93
Materials and supplies		4,179.69
Prepaid insurance		139.71
Extraordinary repair suspense		8,397.00
Other suspense		5,099.93
Discount on capital stock		<u>126,209.25</u>
Total		<u>\$647,016.92</u>

Liabilities

Capital stock	\$200,000.00
Assessment on stock	70,000.00
Funded debt	240,000.00
Current liabilities	9,848.72
Corporate surplus	93,362.52
Appreciated value of fixed capital	<u>33,805.68</u>
Total	<u>\$647,016.92</u>

All the company's outstanding stock, except five shares, and its outstanding funded debt are reported held by C. W. Clark Co. The funded debt consists of two notes, one dated October 1, 1942, and due October 1, 1945, with interest at the rate of 6%, in the principal amount of \$210,000, and the other, dated February 10, 1945, and due February 10, 1948, with interest at the rate of 5%, in the principal amount of \$30,000. The payment of the notes is secured by a mortgage executed under authority granted by Decision No. 35730, dated September 1, 1942.

The company now reports that it desires to borrow an additional \$50,000 from C. W. Clark Co. to be represented by a note due July 1, 1949, with interest at the rate of 5% per annum, payment of the note to be secured by the presently outstanding mortgage executed under authority granted by Decision No. 35730. A copy of the proposed note has been filed in this proceeding as Exhibit "C".

The application shows that the amount to be borrowed will be used for the most part for the purpose of enlarging the company's main canal and for pipe line replacements, as set forth in some detail in Exhibit "A" filed in this proceeding. The company reports that the enlargement of the canal is necessary due to the contemplated increase in 1947 in the demand for water and due to the fact that the full capacity of the canal was reached during 1946. It is expected by the company that an additional 150 miners' inches will have to be furnished during 1947, with still further increases in 1948. The proposed expenditures, it is reported in the application, should be sufficient to provide an additional capacity of not less than 300 miners' inches, which should take care of increased requirements for the next five years. The pipe

line improvement consists of the installation of 2,400 feet of 28-inch steel pipe to replace 2,400 feet of 28-inch woodstave pipe which is worn out and operative only at excessive maintenance costs.

O R D E R

North Fork Ditch Company having applied to the Railroad Commission for permission to issue a note for \$50,000, and the Commission having considered the matter and being of the opinion that a public hearing is not necessary, and that the money, property or labor to be procured or paid for through the issue of said note is reasonably required for the purposes specified herein, therefore,

IT IS HEREBY ORDERED as follows:

1. North Fork Ditch Company may, after the effective date hereof and on or before December 31, 1946, issue a note in the principal amount of \$50,000, in, or substantially in, the same form as the note filed in this proceeding as Exhibit "C", for the purpose of paying for the additions and improvements referred to and described in Exhibit "A" filed in this proceeding.
2. North Fork Ditch Company shall file with the Commission reports of the issue of the note and of the disposition of the proceeds as required by the Commission's General Order No. 24-A, which order, insofar as applicable, is made a part of this order.
3. The authority herein granted will become effective when applicant has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is Fifty (\$50.00) Dollars.

Dated at San Francisco, California, this 29th day
of October, 1946.

Harold Kule
Justin F. Cameron
Francis J. Case
Earl Powell

Commissioners

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RAILROAD COMMISSION
STATE OF CALIFORNIA
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By *W. H. ...*