

Decision No. 30006

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
McNEES PARK WATER COMPANY, a corporation,) Application No. 21369.
for permit and order authorizing appli-)
cant to encumber real property.)

Wingert & Bewley, for Applicant.

BY THE COMMISSION:

OPINION AND ORDER

McNees Park Water Company, a corporation, has applied to the Railroad Commission for an order authorizing it to execute a deed of trust and to issue a note in the principal amount of \$2,000, payable in monthly installments of \$50 or more commencing October 15, 1937, with interest at the rate of six per cent per annum, for the purpose of paying indebtedness and of financing the cost of additions and betterments.

Applicant is engaged in the business of supplying water for domestic purposes to approximately 160 consumers in Los Angeles County near the City of Whittier. According to the application its investment, as of July 1, 1937, in its water system aggregated \$18,344.05 and in other assets \$518.13, making a total investment of \$18,862.18 which appears to have been provided through the issue of \$13,400 of common stock, the creation of indebtedness of \$2,527.50 and the use of surplus earnings and moneys represented by its reserve for depreciation.

The company owns no source of supply, purchasing the water it distributes from Whittier Water Company. Information on file with the Commission shows that prior to 1937 it owned no real property and no physical equipment other than its distribution lines and meters,

but that during the current year it purchased certain real estate described as Lot 40 of Tract No. 10411, as per map recorded in Book 154, Pages 1 and 2 of Maps, Records of Los Angeles County, and made plans to install a 1,000 gallon tank and appurtenances said to be necessary in the operation of the system. The cost of the physical improvements is reported as follows:

Real estate	\$841.96
5 h.p. motor, 3" FM pump, 1,000 gal. tested tank, pipe, valves and fittings, installed	880.00
Building	<u>480.00</u>
Total	\$2,201.96

In making the improvements the company heretofore has borrowed \$1,000 from the Bank of America National Trust & Savings Association. It now desires to encumber its real property and to borrow \$2,000, as here applied for, to repay the \$1,000 indebtedness and to finance, in part, the remainder of the cost of the proposed additions and betterments.

The Commission has considered this matter and is of the opinion that it is not one in which a public hearing is necessary, that the application should be granted, as herein provided, 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 expenditures for such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income, therefore,

IT IS HEREBY ORDERED that McNees Park Water Company, a corporation, be and it hereby is authorized to execute a deed of trust in or substantially in the same form as the deed of trust attached to the application herein, and to issue, on or before September 30, 1937, its promissory note in the principal amount of \$2,000 payable in monthly installments of \$50 or more commencing October 15, 1937, with interest at the rate of six per cent per annum, for the purpose of obtaining

funds to pay the \$1,000 note now outstanding and to finance in part the cost of the additions and betterments referred to herein, provided,

1. That the authority herein granted to execute a deed of trust is for the purpose of this proceeding only and is granted only in so far 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. 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 within thirty days thereafter a verified report as required by the Railroad Commission's General Order No. 24-A, which order, in so far 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 \$25.00.

Dated at San Francisco, California, this 9th day of August, 1937.

W. L. ...

Frazer R. Denton

W. L. ...

W. L. ...

Commissioners.

Fee \$25.00
AUG 2 1937
J. MacL...

Fee No 33533