

ORIGINAL

Decision No. 38154

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
BEN ALI WATER COMPANY,
a corporation, for authority to issue
its promissory note in the sum of
\$3,000.00 and to execute a note and
deed of trust as security for the
payment thereof.

Application No. 25463

BY THE COMMISSION:

O P I N I O N

Ben Ali Water Company asks permission to issue a 5% installment note for the principal sum of \$3,000 and to execute a deed of trust to secure the payment of such note.

Applicant is a California corporation. It is engaged in the public utility water business in an area east of North Sacramento, including certain subdivisions known as Country Club Estates, Bellview Village, Bohemian Village and Ben Ali-Arcade District. For 1942, its operating revenues amounted to \$7,014.82. Its assets and liabilities are reported as follows:

Assets

Fixed Capital	\$34,199.09
Cash	155.30
Due from Consumers and Agents	<u>163.73</u>
Total	<u>\$34,518.12</u>

Liabilities

Audited Vouchers and Wages Unpaid	\$12,499.02
Donations in Aid of Construction	21,529.72
Reserve for Accrued Depreciation	<u>1,872.03</u>
Surplus	<u>(1,382.65)</u>
Total	<u>\$34,518.12</u>

Aside from receiving properties through donations from subdividers, Ben Ali Water Company acquired some of its properties through advances made to it by Ford A. Strock, R. W. Huston and A. C. Huston. In the latter part of 1942, R. W. Huston, who was the active representative of the Huston interest in the company, joined the military forces of the United States. Before doing so, the Hustons sold their interest in the company to Ford A. Strock for \$3,000. To reimburse him for some of his advances to Ben Ali Water Company, said company asks permission to issue to Bank of America National Trust & Savings Association its 5% installment note for \$3,000. The principal and interest of the note mature at the rate of \$100 or more per month, beginning February 1, 1943. The payment of the note will be secured by a deed of trust which will be a lien on all of the company's properties. A copy of the note and a copy of the deed of trust are filed in this proceeding as Exhibit "B."

O R D E R

The Commission having considered the request of Ben Ali Water Company for permission to issue a 5% installment note in the principal sum of \$3,000 and to execute a deed of trust to secure the payment of such note, 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 by the issue of said note is reasonably required for the purpose herein stated; that the expenditures for said purpose are not, in whole or in part, reasonably chargeable to operating expenses or to income, and that this application should be granted subject to the provisions of this Order, therefore

IT IS HEREBY ORDERED as follows:

1. Ben Ali Water Company may, after the effective date hereof and on or before March 1, 1943, issue its 5% installment note for the principal sum of not exceeding \$3,000 for the purpose of paying indebtedness due to Ford A. Strock, said note to be in substantially the same form as the note filed in this proceeding as Exhibit "B."

2. Ben Ali Water Company may, after the effective date hereof and on or before March 1, 1943, execute a deed of trust to secure the payment of said note which deed of trust shall be in substantially the same form as the deed of trust filed in this proceeding, provided that 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 said deed of trust may be subject.

3. The authority herein granted will become effective when Ben Ali Water Company has paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which minimum fee is Twenty-five (\$25.00) Dollars.

4. Within thirty (30) days after the issue of the note herein authorized, Ben Ali Water Company shall file with the Railroad Commission a statement showing the purpose for which it expended said \$3,000, together with a copy of the note issued and a copy of the deed of trust executed under the authority herein granted.

Dated at San Francisco, California, this 2nd day of February, 1943.

Francis P. Havenner

[Signature]

Justus J. Coe

Richard [Signature]

Francis [Signature]

Commissioners.

