

Decision No. 40022

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application

of

ROBERT M. SIMPSON and ELVERA V.)
SIMPSON, husband and wife, doing)
business as Calwa Water Works,)
for order authorizing them to)
borrow money for the purpose of)
paying existing indebtedness.)

ORIGINAL

Application
No. 28223

OPINION AND ORDER

This is an application by Robert M. Simpson and Elvera V. Simpson, doing business under the firm name and style of Calwa Water Works, to execute a deed of trust and a mortgage of chattels and to issue a note in the principal amount of \$12,000 for the purpose of paying indebtedness and of financing the cost of additions and betterments.

It appears that during 1946 applicants acquired the properties comprising the water works, pursuant to authority granted by Decision No. 39187, dated July 9, 1946, and in doing so incurred certain indebtedness of which the balance presently outstanding is reported at \$9,500, consisting of a note, secured by a deed of trust and chattel mortgage, in favor of J. R. Erskine and Helen M. Keller in the amount of \$4,500 payable in monthly installments of \$100 with interest at 6% per annum, and an unsecured note in favor of Dr. Neil Jorgensen in the amount of \$5,000 payable in monthly installments of \$150 commencing June 1, 1950, with interest at 5% per annum.

Applicants now report that they have made arrangements to borrow from Belmont Cemetery Association the sum of \$12,000, said amount to be secured by a deed of trust and a mortgage of chattels covering the water works properties and to be represented by a note bearing interest at the rate of 5½% per annum and repayable in monthly installments of \$150, including principal and interest, with final payment to be made six years after the date of the note. Applicants intend to use \$9,500 of the proceeds to be received through the issue of the note to pay the outstanding indebtedness, to which reference has been made, and to use the remaining \$2,500 to finance the estimated cost of an additional well and pumping plant which is said to be necessary in the operation of the water works. Applicants represent that the well and pumping plant should be installed before the summer of 1947.

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

IT IS HEREBY ORDERED as follows:

1. Robert M. Simpson and Elvera V. Simpson, after the effective date hereof and on or before April 15, 1947, may execute a deed of trust and a mortgage of chattels in, or substantially in, the same form as the deed of trust and the mortgage of chattels filed in this proceeding as Exhibit "B" and Exhibit "C", respectively, and issue a note in the principal amount of \$12,000 for the

purpose of paying outstanding indebtedness of \$9,500 and of financing the cost of the new well and pumping plant.

2. Applicants shall file a report, or reports, of the issue of the note herein authorized 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 applicants have paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which fee is Twenty-five (\$25.00) Dollars.

Dated at San Francisco, California, this 4th day of March 1947.

Harold P. Kula

Justin F. Cassin

Chas. H. Fowell

A. J. Anderson

Frederick Patten

Commissioners

