

ORIGINAL

Decision No. 40260

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)	
	:	
of)	
	:	
DEL ESTE WATER COMPANY, a)	Application
corporation,	:	No. 27986
)	
for authorization to borrow money	:	
and execute a note or notes.)	
-----	:	

FIRST SUPPLEMENTAL OPINION AND ORDER

In the original application herein, Del Este Water Company asked for an order of the Commission authorizing it to execute a loan agreement with American Trust Company and to borrow the sum of \$100,000 to be represented by unsecured notes.

By Decision No. 39673, dated November 27, 1946, the Commission authorized the execution of the agreement and the issue of a note for \$50,000 for the purpose of providing the company with funds to pay outstanding notes and to finance the cost of additional plant facilities. The decision of the Commission reads in part as follows:

"The request to issue the remaining \$50,000 of notes will be held in abeyance until applicant has made a more complete showing of the purposes for which it may desire to issue such note. Such showing can be made in a supplemental petition, or petitions, to this proceeding."

In a supplemental petition filed on May 2, 1947, the company reports that since the issue of the \$50,000 note authorized by Decision No. 39673, Beard Land and Improvement Co., which

is an affiliated company, has advanced to it, on open account, the sum of \$23,520.41 which it has expended for pipe and fittings, a 75 h.p. pump and other equipment as set forth in Exhibit "A", attached to the supplemental petition. In addition, the company reports that in order to render service to the public it will be required to spend an additional \$28,065 in the immediate future for the following purposes:

Pumping plant site in Quiet Acres Tract	\$ 750.00
Warehouse and loading platform	3,000.00
40 h.p. motors and pumps, switches and tanks at \$2,500 each at the following locations: Fontana Tract, Quiet Acres Tract and El Roya Tract	7,500.00
Well for Quiet Acres Tract	750.00
Transmission lines at Alta Vista Tract-- 8,800 feet	8,850.00
Transmission lines at Thousand Oaks Tract-- 6,450 feet	<u>7,215.00</u>
	<u>\$28,065.00</u>

It is now desired by applicant to borrow the additional sum of \$50,000 from American Trust Company and to issue to it a note for that amount, with interest at the rate of 3-1/2 percent per annum, payable in equal quarterly installments of \$1,250 each plus interest, with final payment to be made not later than January 1, 1957.

The Commission has considered this matter and is of the opinion that a public hearing is not necessary, that the request of applicant should be granted, as provided herein, 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. Del Este Water Company, after the effective date hereof and on or before July 31, 1947, may issue a note for \$50,000 payable in quarterly installments of \$1,250 each, with interest at the rate of 3-1/2 percent per annum, for the purpose of paying indebtedness in favor of Beard Land and Investment Co. and of financing the cost of additional plant facilities to which reference is made herein.

2. Del Este Water Company shall file with the Commission 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 Del Este Water Company has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is Fifty (\$50.00) Dollars.

Dated at Los Angeles, California, this 13th day of May, 1947.



Handwritten signatures of three commissioners: Harold P. Hills, J. H. Powell, and Kenneth L. Potter, with the word 'Commissioners' printed below.