

ORIGINAL

Decision No. 40763

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
CARPINTERIA WATER COMPANY, a corpora-	:	
tion, for permission to issue a note to)	
THOMAS C. WARREN and JOAN M. WARREN,	:	
his wife, of Carpinteria, California,)	Application
and for permission to mortgage its	:	No. 28745
public utility properties to THOMAS C.)	
WARREN and JOAN M. WARREN, his wife, as	:	
security for the payment of said note.)	
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O P I N I O N

Carpinteria Water Company asks permission to issue, for the purposes hereinafter stated, a note in the principal sum of \$35,000 and execute a mortgage to secure the payment of the note. A copy of the note and mortgage is on file in this application as Exhibit "C".

Carpinteria Water Company, hereinafter sometimes referred to as Applicant, is a corporation organized and existing under the laws of the State of California. It is engaged in the business of supplying water for domestic, industrial and municipal purposes to consumers located in and adjacent to the unincorporated community of Carpinteria, Santa Barbara County, California. On August 31, 1947, it had 838 service connections on its water system. For the year 1946, Applicant reports operating revenues of \$26,618.41 and for the eight months ending September 1, 1947, \$19,273.49. As of September 1, 1947, Applicant reports assets and liabilities as follows:

Assets

Fixed capital (includes \$1,714.38 for organization, franchises and water rights)	\$143,175.45
Cash	1,934.42
Accounts receivable	1,176.14
Materials and supplies	951.15
Prepaid insurance	332.97
Construction work in progress	65.00
Other suspense	<u>75.00</u>
Total Assets	<u>\$147,710.13</u>

Liabilities

Capital stock	\$ 40,000.00
Notes payable	5,000.00
Accounts payable	636.26
Interest accrued	31.25
Taxes accrued	774.08
Consumers' advances for construction	2.85
Donations in aid of construction	9,695.66
Reserve for accrued depreciation	74,369.84
Reserve for amortization of intangible capital	233.19
Corporate surplus	<u>16,967.00</u>
Total Liabilities	<u>\$147,710.13</u>

To increase its water supply and improve its service, Applicant has concluded to drill and equip an additional well, install a 100,000-gallon storage tank, a water and sand separator and meters at an aggregate cost of about \$30,000, segregated as follows:

New well	\$ 5,000
Pump	2,500
Storage tank	2,700
Booster pump	800
12,000 feet of six-inch line	3,750
Water and sand separator	2,500
Meter installations	10,000
Compressor complete with tools	2,750

A detailed description of the improvements is set forth in Exhibit "B".

Applicant has made arrangements to borrow \$35,000 from Thomas C. Warren and Joan M. Warren, his wife. The loan will be represented by an installment note bearing interest at the rate of 5% per annum. The principal of the note is payable in annual amounts of \$3,500, the first payment being due at the end of the eleventh year after the issue of the note. The proceeds of the note will be used to pay the cost of the improvements to which reference has been made and to pay an outstanding note for \$5,000. The proposed mortgage will be a lien on all of Applicant's properties.

O R D E R

The Commission has considered the requests of Carpinteria Water Company and is 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 \$35,000 note is reasonably required by Carpinteria Water Company for the purposes herein stated, which purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income, and that this application should be granted, as herein provided, therefore,

IT IS HEREBY ORDERED as follows:

1. Carpinteria Water Company may, after the effective date hereof and on or before March 1, 1948, issue its promissory note in the principal sum of not exceeding \$35,000 and execute a mortgage of real property and of chattels to secure the payment

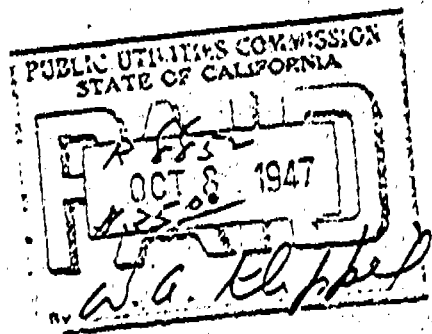
of said note, said note and said mortgage of real property and of chattels to be in, or substantially in, the same form as that on file in this application as Exhibit "C".

2. Carpinteria Water Company shall use the proceeds realized through the issue of said \$35,000 note to pay an outstanding note for \$5,000 and to pay, in whole or in part, for the improvements referred to in the foregoing opinion.

3. The authority herein granted will become effective when Carpinteria Water Company has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is thirty-five (\$35.00) dollars.

4. Carpinteria Water Company shall file with the Commission within thirty (30) days after the issue of said note, a true and correct copy of the note and mortgage of real property and of chattels executed under the authority herein granted, and shall, from time to time, file with the Commission a report, or reports, required by the Commission's General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

Dated at Los Angeles, California, this 30th day of September, 1947.



Handwritten signatures of Harold P. Kild, Justice J. Calver, and Russell Potter, Commissioners.