

Decision No. 42211

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
	:	
<u>ENES WATER COMPANY</u>)	
	:	Application
For an order authorizing it to issue)	No. 29787
an unsecured ninety-day 4% promissory	:	
note in the principal amount of \$80,000.)	
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OPINION AND ORDER

Enes Water Company, a corporation engaged in furnishing water service in certain unincorporated territory in Contra Costa County near Pittsburg, has applied to the Commission for permission to execute an unsecured note for \$80,000, payable ninety days after its date with interest at the rate of 4% per annum, for the purpose of refunding an outstanding note of like amount.

In Decision No. 41848, dated July 13, 1948, in Application No. 29204, the Commission reviewed and adjusted the company's rates. Of record in that proceeding and referred to in the decision, is a report prepared by a member of the staff of the Commission in which he estimated the historical cost of the water properties at \$167,324, the depreciation reserve requirement at \$10,301, and, under the rates requested by the company and approved by the Commission, operating revenues at \$24,498 and operating expenses at \$20,215. The record in the proceeding indicates that the cost of the company's properties had been financed in part with \$80,000 borrowed from American Trust Company.

The present proceeding shows that the \$80,000 initially was represented by two notes, one in the amount of \$50,000 dated November 10, 1947, and the other in the amount of \$30,000 dated December 11, 1947, and that such notes subsequently were consolidated and were refunded from time to time. The note presently outstanding in the amount of \$80,000 is dated August 24, 1948, and matured November 2, 1948, with interest at the rate of 4% per annum. The company now desires and has requested permission, pending the arrangement of permanent long-term financing, to issue a new ninety-day note to refund the indebtedness represented by said note.

The Commission has considered this application and is of the opinion that a public hearing thereon is not 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 said note is reasonably required by Enes Water Company for the purpose specified herein, and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

1. Enes Water Company, after the effective date hereof and on or before November 30, 1948, may issue an unsecured note in the principal amount of \$80,000, payable ninety days after its date with interest at the rate of 4% per annum, for the purpose of refunding the indebtedness represented by the outstanding note dated August 24, 1948.

2. Enes Water Company shall file with the Commission a report of the issue of the note 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 Enes Water Company has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is eighty (\$80.00) dollars.

Dated at San Francisco, California, this 9th day of November, 1948.

R. J. Anderson
Justice J. C. Brewer
W. H. Luce
Samuel F. Patton

Commissioners

