

ORIGINAL

Decision No. 43917

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of)
NEWMAN WATER WORKS COMPANY for)
an order authorizing them to)
borrow money for the purpose)
of paying existing indebtedness.)
-----)

Application
No. 31057

O P I N I O N

This is an application for an order of the Commission authorizing the execution of a deed of trust and of a mortgage of chattels covering the properties comprising the Newman Water Works Company and authorizing the issue of a note in the principal amount of \$15,000.

The application shows that the properties comprising the Newman Water Works Company are owned by the Estate of Bertha Dobrzensky, deceased, and are administered and operated by Willard H. Dobrzensky for the purpose of supplying water for domestic, business and industrial purposes in Newman, Stanislaus County, to approximately 470 consumers. The revenues from the operation of the system were reported at \$15,549 during 1948 with net income of \$764, and at \$19,084 during 1949 with net income of \$1,742. The investment in the utility plant at the close of 1949 was reported at \$97,836, with a reserve for depreciation of \$59,776.

By Decision No. 43335, dated September 27, 1949, in Application No. 30410, the Commission authorized an increase in

rates for the water system and, in doing so, stated that in its opinion the system should be metered within a reasonable period of time. Applicant now reports that thereafter it concluded to meter its system, that it became and now is indebted to materialmen in the amount of \$15,000 on open book account for labor and materials, and that it proposes to liquidate such open book account through the issue of a long-term note in favor of Bank of America National Trust and Savings Association.

The proposed note will be in the principal amount of \$15,000, and will be payable in monthly installments of \$283.07 with interest at the rate of 5% per annum on the monthly decreasing balance of the principal sum. The payment of the note will be secured by a deed of trust and by a mortgage of chattels.

ORDER

The Commission having considered the above entitled matter and being 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 a note for \$15,000 is reasonably required by applicant 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. Willard H. Dobrzensky, Special Administrator with General Powers of the Estate of Bertha Dobrzensky, deceased, after the effective date hereof and on or before June 30, 1950, may

execute a deed of trust and a mortgage of chattels in substantially the same form as those filed in this proceeding as Exhibit B and Exhibit C, respectively, and may issue a note in the principal amount of \$15,000, payable in monthly installments of \$283.07 with interest at the rate of 5% per annum on decreasing balances, for the purpose of paying outstanding accounts payable as set forth in this application.

2. Applicant shall file with the Commission a report as required by 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 applicant has 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 14th day of March, 1950.

J. F. [Signature]
Justin F. [Signature]
[Signature]
[Signature]
[Signature]
Commissioners

