

ORIGINAL

Decision No. 44260

## BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
 of the QUINCY WATER WORKS, )  
 Hester Webb Stevenson and Grace )  
 Webb Wright, Owners, )

for

Application  
 No. 31710

order authorizing loan and )  
 issuance of security therefor. )  
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O P I N I O N

In this application, Hester Webb Stevenson and Grace Webb Wright have applied to the Commission for authority to execute a deed of trust and a mortgage of chattels, and to issue a promissory note in the principal amount of \$16,500, for the purpose of paying indebtedness and of financing the cost of improvements to their water system.

Applicants own and operate the Quincy Water Works, used in supplying water to the inhabitants of the Town of Quincy, Plumas County, for domestic and other purposes. In financial reports filed with the Commission, the fixed capital, operating revenues, net income before provision for income taxes, and active service connections for the last five years are reported as follows:

<u>Year</u>	<u>Fixed Capital</u> <u>Dec. 31</u>	<u>Operating</u> <u>Revenues</u>	<u>Net</u> <u>Income</u>	<u>Service</u> <u>Connections</u>
1945	\$43,358	\$11,236	\$5,968	351
1946	44,751	12,641	5,062	351
1947	46,419	13,297	4,493	415
1948	48,965	13,940	5,948	434
1949	55,247	15,106	497	476

The water system includes certain wells and springs, four storage reservoirs, and approximately 31,695 feet of pipe. An investigation recently made by a member of the Commission's staff shows

that the concrete reservoir known as the Goodwin Reservoir is leaking badly, and that the distributing system is old and will require a considerable amount of replacement in the near future. The present application shows that applicants desire to place their system in better operating condition, and consequently have made plans to repair the reservoir and to replace a portion of the old mains. They have obtained estimates of the cost of making these improvements, and believe that the work can be performed for approximately \$15,500.

In order to obtain funds to defray the costs of the proposed improvements and to liquidate outstanding indebtedness of \$1,000, applicants have made arrangements to issue a note to Bank of America National Trust and Savings Association, to be secured by a deed of trust and a mortgage of chattels covering the real and personal property comprising the water works. The note will be payable in installments over a period of ten years, with interest at the rate of 5% per annum.

A review of this matter clearly indicates that applicants have need for the funds to be obtained through the issue of the note. Accordingly, an order will be entered.

#### O R D E R

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 the note herein authorized is reasonably required by applicants for the purposes specified herein; and that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

1. Hester Webb Stevenson and Grace Webb Wright, after the effective date hereof and on or before November 30, 1950, may issue a note in the principal amount of not exceeding \$16,500, payable as indicated in the preceding opinion, for the purposes set forth in this application, and may execute a deed of trust and a mortgage of chattels, in, or substantially in, the same form as those filed in this proceeding, to secure the payment of said note.

2. Applicants shall file with the Commission a copy of each of the instruments executed under the authority herein granted, and a report, or reports, 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 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 11<sup>th</sup> day of September, 1950.

*R. E. Johnson*  
*James F. Copeman*  
*W. H. D. D. D. D.*

Commissioners

