

Decision No. 45853**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)	
of the Tustin Water Works to)	Application
Issue Unsecured Promissory Notes.)	No. 32472
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O P I N I O N

This is an application for an order authorizing Margaret R. Utt to issue unsecured promissory notes in the aggregate amount of \$80,000.

Doing business under the name of Tustin Water Works, applicant is engaged in the operation of a public utility water system in Orange County. She reports that the population in her service area is increasing rapidly and that it is necessary for her to acquire an additional source of supply, to strengthen the distribution system by the addition of larger mains, and to install pipes, services and meters in new locations. She reports her cash requirements for these purposes, and also to pay two short-term notes in the principal amount of \$8,000 now outstanding, as follows:

Notes payable	\$ 8,000.00
Accounts payable	8,035.88
Well, wellsite, building, equipment	18,000.00
Pipe - 12,000 ft. at \$2.00 (8")	24,000.00
9,000 ft. of 6" pipe	12,000.00
Meters and services	<u>10,000.00</u>
Total	<u>\$80,035.88</u>

The proposed notes will be issued to meet these requirements. They will be in favor of Walter Rawlings and James B. Utt, trustees, and will be payable on or before June 1, 1966, with interest at the rate of 1% per annum. The notes will be unsecured.

In Exhibit B in this proceeding, applicant reports her investment in fixed assets, less depreciation reserve, at \$169,313.76 as of April 30, 1951, and her current and deferred assets at \$8,949.65, a total of \$178,263.41. She reports outstanding liabilities of \$30,338.24 and proprietary capital of \$147,925.17. In her annual report for the year 1950, she reported operating revenues of \$31,557 with net income for the year of \$7,435.

The Commission recently has reviewed applicant's operations and, in Decision No. 45132, dated December 12, 1950, in Application No. 31509, has authorized certain increases in rates. From a review of that proceeding and the present one, it clearly appears that applicant has need for the construction work she now proposes to make in order to maintain and improve service, and that funds from external sources are required. Accordingly, an order will be entered granting the application.

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 notes herein authorized is reasonably required by applicant 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:

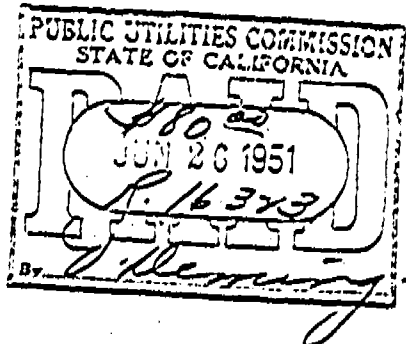
1. Margaret R. Utt, after the effective date hereof and on or before December 31, 1951, may issue promissory notes in the

aggregate principal amount of \$30,000, payable on or before June 1, 1966, with interest at the rate of 1% per annum, for the purposes set forth in this application.

2. Applicant shall file with the Commission monthly 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 applicant 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 26th day of June, 1951.



R. T. Anderson
James F. Craven
Harold A. Kule
Lawrence E. Potter
Robert L. White
Commissioners