

Decision No. AS279

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
MALIBU WATER COMPANY, a California)
corporation, for authority to execute)
a promissory note.)
-----)

Application
No. 32700

ORIGINAL

O P I N I O N

This is an application by Malibu Water Company for authorization to issue to Marblehead Land Company an unsecured note in the principal amount of \$162,186.92, payable on or before five years after date of issue with interest at the rate of 3% per annum, for the purpose of refinancing outstanding indebtedness.

Applicant is a California corporation organized in 1936 for the purpose of distributing and selling water for domestic purposes and surplus water, when available, for commercial and irrigation purposes in certain sections of Malibu Ranch north of the City of Santa Monica, in the County of Los Angeles. In financing and operating its water system it has received advances from Marblehead Land Company which are represented on its books by shares of common stock and by unsecured advances. As of December 31, 1950, it reported its outstanding stock in the amount of \$100,000, all being held by Marblehead Land Company, and the amount of advances from that company at \$162,186.92. Exhibit A filed in this proceeding shows that the latter sum has been accumulating on applicant's records since August 31, 1939.

The application shows that applicant does not have sufficient funds to pay the advances of \$162,186.92 and that Marblehead

Land Company has agreed to accept a note in lieu and in satisfaction of the book account.

The Commission recently has reviewed applicant's operations. By Decision No. 45567, dated April 10, 1951, it authorized certain increases in rates designed to yield applicant net annual revenues of \$7,350 and it permitted applicant to restate its books so as to reflect in its fixed capital accounts an historical cost appraisal dated as of July 31, 1949, which was submitted in the rate proceeding, with subsequent additions and betterments. It appears that applicant has exercised the authority granted to restate its books and that its fixed capital accounts as of July 31, 1951, show total investment in plant in the amount of \$1,017,877, with a reserve for depreciation of \$209,900. Applicant reports outstanding indebtedness consisting only of the advances from Marblehead Land Company and miscellaneous other items of minor amount.

An order granting applicant's request 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; and that the money, property or labor to be procured or paid for through the issue of the note herein authorized is reasonably required by applicant for the purpose specified herein; therefore,

IT IS HEREBY ORDERED as follows:

1. Malibu Water Company, after the effective date hereof and on or before December 31, 1951, may issue to Marblehead Land

Company a note, in substantially the same form as that filed in this proceeding as Exhibit B, in the principal amount of not exceeding \$162,186.92, in payment of outstanding indebtedness of like amount.

2. Malibu Water Company 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 Malibu Water Company has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is one hundred sixty-three (\$163.00) dollars.

Dated at San Francisco, California, this 11th day of September, 1951.

[Signature]
President
Justice F. Casper
John L. McNeil
Herbert J. Foster

Commissioners

