

**ORIGINAL**

Decision No. 47268

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of	)	
	:	
ENES WATER COMPANY	)	
a California corporation,	:	Application
	)	No. 33472
for an order authorizing the issuance	:	
of an unsecured refunding note.	)	
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O P I N I O N

This is an application for an order authorizing Enes Water Company to issue an unsecured note in the principal amount of \$58,000 for the purpose of refunding outstanding indebtedness. The note will be issued to Bank of America National Trust and Savings Association, or other banking institution, will bear interest at a rate of not to exceed 6% per annum, and will be payable one year after its date.

Enes Water Company is engaged as a public utility in furnishing water service in unincorporated territory in Contra Costa County approximately three miles southwest of the City of Pittsburg. In financing its investment in its plant and equipment it has borrowed certain sums from American Trust Company and has issued its note in evidence thereof. By Decision No. 43764, dated February 7, 1950, the Commission authorized applicant to issue a note in the principal amount of not exceeding \$78,000, payable on or before February 7, 1951, with interest at not to exceed 4%, to pay indebtedness to the bank outstanding at that time.

It appears that the principal amount of the note has been reduced to \$58,000, that upon maturity of the note the bank increased the interest rate to 6%, and that it now desires payment of the balance of the indebtedness due to it. Applicant reports that it does not have funds on hand to meet its obligations and that for this reason it proposes to refund the indebtedness through the issue of a new note. In making this request, applicant has filed with its application its financial statement showing its assets and liabilities as of December 31, 1951. A summary of the same is as follows:

<u>Assets</u>		
Current assets -		
Cash	\$ 5,980.57	
Accounts receivable	1,787.10	
Materials and supplies	2,808.18	
Prepaid expense	36.28	
Total current assets		\$ 10,612.13
Fixed capital -		
Land	4,800.00	
Plant and equipment	200,523.70	
Less-depreciation reserve	(56,923.65)	
Total fixed capital		148,400.05
Construction work in progress		741.00
Other suspense		123.05
	Total	<u>\$159,876.23</u>

<u>Liabilities</u>		
Note to American Trust Company		\$ 65,000.00
Accounts payable		223.89
Tax liabilities		670.25
Customers' deposits		960.28
Sub-total		<u>66,854.42</u>
Accounts payable to Bernard Enes, Chris Enes, Est. of Clementine Enes		29,904.70
Total liabilities		<u>96,759.12</u>
Capital stock and surplus		<u>63,117.11</u>
	Total	<u>\$159,876.23</u>

During 1951 applicant reported operating revenues of \$37,972.94 and net income of \$2,277.57, with 794 customers at the

close of the year. It appears that development in and about applicant's service area will more than double the number of customers within the year and will require substantial construction work to meet the increasing demand for water. The Commission recently has reviewed applicant's operations and by Decision No. 47209, dated May 27, 1952, authorized applicant to establish rates designed to produce revenues of \$109,910 upon the completion of the additional plant facilities.

A review of the application indicates that applicant will have need for the issue of the presently proposed note. Accordingly, an order will be entered granting its request.

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 by the issue of the note herein authorized 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. Enes Water Company, after the effective date hereof and on or before September 30, 1952, may issue an unsecured note in the principal amount of not exceeding \$58,000 for the purpose of paying or refunding outstanding indebtedness of like amount, such

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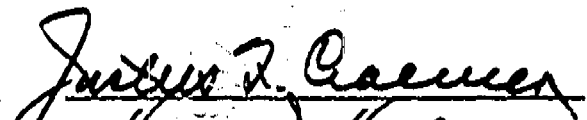

note to be in, or substantially in, the same form as that filed in this proceeding as Exhibit 1.

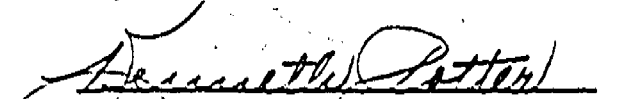

2. Enes Water Company shall file with the Commission monthly reports as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

3. The authority herein granted will become effective upon the date hereof.

Dated at San Francisco, California, this 17<sup>th</sup> day of June, 1952.

  
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President

  
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Commissioners