

ORIGINAL

Decision No. 47224

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
DESERT WATER COMPANY, a California)	
corporation, to issue its promissory)	Application
notes under Section 818 of the Public)	No. 33714
Utilities Code.)	
-----)	

OPINION AND ORDER

This is an application for an order of the Commission authorizing Desert Water Company to issue three notes in the aggregate amount of \$4,332.25 for the purpose of financing the cost of properties.

Applicant is engaged as a public utility in supplying water to approximately 320 consumers in a portion of San Bernardino County near Victorville, Morongo Valley and Rimforest. In financial statements filed with the Commission it has reported its operating revenues for the year 1951 in the amount of \$10,296.45 and for the first six months of 1952 in the amount of \$7,989.98, with net profit of \$1,156.70 in 1951 and \$3,312.50 in the first half of 1952. It has reported its net investment in fixed capital at \$248,750.94 as of June 30, 1952.

It appears that a portion of applicant's service area has been subdivided by Omart Investment Company, which has installed certain pipe lines, and that applicant, subject to receiving permission from the Commission, has agreed to purchase such facilities and to pay for them through the issue of its promissory notes. The application shows that one note, in the principal amount of

\$1,408.75, will be issued in payment for 1,610 feet of four-inch transite pipe; the second note, in the amount of \$1,155, will be issued to pay for 1,320 feet of six-inch transite pipe; and the third note, in the amount of \$1,768.50, will be issued to pay for 1,908 feet of six-inch transite pipe and 132 feet of four-inch transite pipe; all installed. The principal amounts of the three notes aggregate \$4,332.25. They will be payable in monthly installments over periods of five years with interest at the rate of 5% per annum.

The Commission has considered this matter and is of the opinion that a public hearing 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 notes 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. Desert Water Company, after the effective date hereof and on or before December 31, 1952, may issue three promissory notes in the aggregate principal amount of not exceeding \$4,332.25 for the purpose set forth in this application, said notes to be in, or substantially in, the same form as those filed in this proceeding as Exhibit A1, Exhibit A2 and Exhibit A3.

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 minimum fee prescribed by Section 1904(b) of the Public Utilities Code; which fee is twenty-five (\$25.00) dollars.

Dated at San Francisco, California, this 24th day of September, 1952.

R. J. [Signature]
President

Justice F. [Signature]
Harold A. [Signature]

Commissioners

