

**ORIGINAL**

Decision No. 47833

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

|                                     |   |             |
|-------------------------------------|---|-------------|
| In the Matter of the Application of | ) |             |
|                                     | : |             |
| MOUNTAIN PROPERTIES, INC., a        | ) |             |
| California corporation, for         | : | Application |
| authority to issue promissory       | ) | No. 33712   |
| notes under Section 818 of the      | : |             |
| Public Utilities Code.              | ) |             |
| -----                               | : |             |

OPINION AND ORDER

This is an application for an order authorizing Mountain Properties, Inc. to assume the payment of outstanding notes in the aggregate principal amount of \$7,741.94 and to issue a note in the principal amount of \$1,538.06 for the purpose of financing the cost of properties.

Applicant is a public utility water corporation engaged in operating water systems in a number of counties of the State of California, including Kern County.<sup>(1)</sup> The application shows that it desires to extend its operations in Kern County and that it has entered into an agreement to purchase a mutual water system operated by Loma Park Water Company, Inc., serving water within applicant's certificated area. The agreed purchase price to be paid is the sum of \$12,500, of which \$3,220.00 will be represented by open account indebtedness, \$7,741.94 will be paid through the assumption by applicant of two outstanding notes, and the balance of \$1,538.06 will be evidenced by a new note to be executed by applicant, to be payable at the rate of \$50, or more, a month including interest at the rate of 3% per annum. The two notes to be assumed are payable in monthly

(1) Applicant reports its investment in its Kern County properties at \$253,589 as of December 31, 1951, and its revenues for the year at \$42,050 with net operating revenues of \$8,437.

installments aggregating \$202.46.

Counsel for applicant has advised the Commission that presently there are 55 customers attached to the lines of Loma Park Water Company, Inc., that the members of the mutual system have agreed to the sale of the properties, and that applicant now is operating the system on a temporary basis. The properties comprising the system are connected with the present Mesa Acres system of applicant. It is applicant's position that the agreed purchase price reasonably represents the cost of installation less accrued depreciation.

The Commission has considered this matter and is of the opinion that the proposed transfer will not be adverse to the public interest; 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 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. Mountain Properties, Inc., on or after the effective date hereof and on or before December 31, 1952, may assume the payment of indebtedness represented by two promissory notes in the aggregate principal amount of not exceeding \$7,741.94, and may issue a new note in the principal amount of not exceeding \$1,538.06 for the purpose of paying in part the purchase price of the properties to which reference is made in this proceeding.

2. The action taken herein shall not be construed to be a finding of the value of the properties referred to herein.

3. 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.

4. 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 21<sup>st</sup> day of October, 1952.

*R. J. ...*  
President

*James J. ...*

*Harold ...*

*... Patten*  
*... Mitchell*  
Commissioners

