

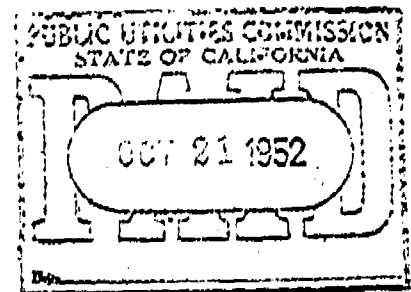
ORIGINAL

Decision No. 47834

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of E. B. ABELL, doing)
 business as ABELL WATER COMPANY, a)
 public utility, in the Twenty-Nine)
 Palms Area of San Bernardino County,)
 California, for authorization to issue)
 a note for \$20,000.00 secured by a)
 chattel mortgage on the properties of)
 said public utility to obtain a loan)
 in the sum of \$20,000.00 from Recon-)
 struction Finance Corporation; and to)
 assign, with right of reassignment,)
 its Certificate of Public Convenience)
 and Necessity, to Reconstruction Fin-)
 ance Corporation.)
 -----)

Application
No. 33764



O P I N I O N

This is an application for an order of the Commission authorizing E. B. Abell to issue a note in the principal amount of \$20,000 for the purpose of financing the cost of improvements and of providing working capital, and to execute a mortgage of chattels and an assignment of his operative rights.

E. B. Abell, doing business under the firm name and style of Abell Water Company, is engaged in operating a public utility water system for the distribution of water to customers in a portion of San Bernardino County near the community of Twenty-Nine Palms under certificates of public convenience and necessity granted by Decision No. 32211, dated August 1, 1939, in Application No. 22561, and Decision No. 36005, dated December 8, 1942, in Application No. 24743. The following tabulation, which was prepared from reports of operations filed by applicant, indicates the growth of his property and business during the last ten years as follows:

	Net Fixed Capital Dec. 31st	Service Connections Dec. 31st	Operating Revenues	Net Before Depreciation	Depreciation Charges
1943	\$15,654	108	\$4,262	\$1,755	\$1,561
1944	14,794	108	4,584	2,338	1,014
1945	30,593	139	5,625	2,340	1,481
1946	39,874	169	6,966	3,666	2,164
1947	45,913	184	8,152	3,686	2,661
1948	57,837	210	8,823	4,044	3,215
1949	54,648	210	8,376	5,607	3,727
1950	54,700	223	9,036	4,595	3,832
1951	53,149	352	9,410	6,683	4,209
1952 (1)	52,932	(2)	6,089	4,450	2,188

- (1) 7 months
(2) Not reported

Applicant now reports that it is necessary for him to increase his facilities. His application shows that construction is about to start on the 11th Naval District Marine Artillery Base in his service area, that more than 1100 construction workers are expected to be employed on the project with resultant increase in housing facilities, and that upon completion of the work there will be more than 7500 service and civilian employees stationed permanently in the area. To meet the expected demands for service applicant has entered into negotiations to borrow money from Reconstruction Finance Corporation and to disburse such money for the following purposes:

Well, approximately 350 feet deep	\$ 3,259.02
Pump, 25-horsepower Layne & Bowler, with electrical installation	3,678.82
Pressure tank, 7,000-gallon	2,541.99
Water mains, 4280 feet of four-inch 10-gage steel pipe	5,649.60
Regulator	495.00
Meter	425.00
Fencing and lighting	648.00
Auxiliary power, consisting of butane gas operated motor with foundation and tank	2,000.00
Working capital	<u>1,302.57</u>
Total	<u>\$20,000.00</u>

Applicant reports that Reconstruction Finance Corporation has authorized a loan of \$20,000 for these purposes. The amount will be represented by a note bearing interest at the rate of 5% per annum,

with the principal payable in monthly installments of \$100 commencing three months after the date of the note and continuing for twelve consecutive months and thereafter at the rate of \$230 a month, with the balance payable on or before eight years. The payment of the note will be secured by a mortgage of chattels covering the properties and by an assignment of the certificates of public convenience and necessity.

Based on the reported net investment in fixed capital as of July 31, 1952, of \$52,932 and considering the cost of the proposed additions to the plant facilities, applicant's investment at the close of the transaction will be approximately \$71,630, against which there will be outstanding the \$20,000 note covered by this application, together with current liabilities. A review of applicant's financial statements indicates that his properties and earnings are ample to support the proposed issue. Accordingly, an order will be entered granting his request.

O R D E R

The Commission having considered the above entitled matter, and being 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 note 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. E. B. Abell, doing business as Abell Water Company, on and after the effective date hereof and on or before April 30, 1953,

may issue a note in the principal amount of not exceeding \$20,000 for the purposes set forth in this application, and may execute a mortgage of chattels and an assignment of rights to operate as a public utility water system, which note, mortgage of chattels and assignment shall be in, or substantially in, the same form as those filed in this proceeding.

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 21st day of October, 1952.

A. J. [Signature]
President

Justus F. [Signature]
Harold [Signature]

[Signature]
[Signature]
Commissioners

