

ORIGINAL

Decision No. 48411

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of DOMINGUEZ WATER CORPORATION, a)
Corporation, for an Order author-)
izing it to issue its Note in the)
sum of \$898,149.56.)
-----)

Application
No. 34158

O P I N I O N

This is an application filed by Dominguez Water Corporation for an order of the Commission authorizing it to issue an unsecured promissory note in the principal amount of \$898,149.56 for the purpose of paying outstanding indebtedness.

Applicant is a public utility water corporation engaged in business in a portion of the County of Los Angeles. It appears that it was organized during 1937 to take over the properties formerly operated by Dominguez Water Company, which had been engaged in business as a mutual organization, that up to the end of 1952 it had invested in tangible capital assets the sum of \$1,635,419.36, after making allowance for its depreciation reserve, and that it had financed itself in part through the issue of \$500,000 of its common stock to Dominguez Estate Company, in part with moneys borrowed from Dominguez Estate Company on open account, and in part with retained earnings and other moneys in its treasury. Its financial position as of December 31, 1952, is reflected in its balance sheet filed as Exhibit A in this proceeding, a summary of which is as follows:

Assets

Intangible capital		\$	1,336.91
Tangible capital -			
Land, plant and equipment	\$2,475,758.06		
Less: reserves	<u>840,338.70</u>		
Remainder			1,635,419.36
Plant not in use			40,000.00
Stocks owned			210.00
Current assets -			
Cash	3,367.17		
Accounts receivable	36,789.31		
Materials and supplies	44,328.24		
Accrued taxes	9,775.64		
Prepaid expenses	<u>9,362.56</u>		
Total current assets			103,622.92
Deferred debits			<u>18,438.30</u>
	Total		<u>\$1,799,027.49</u>

Liabilities and Net Worth

Current liabilities -			
Due Dominguez Estate Company	\$ 825,763.91		
Notes and accounts payable	102,817.58		
Consumers' deposits	<u>12,284.24</u>		
Total current liabilities		\$	940,865.73
Consumers' advances for construction			<u>165,072.41</u>
Total liabilities			1,105,938.14
Net worth -			
Capital stock	500,000.00		
Surplus items	<u>193,089.35</u>		
Total net worth			<u>693,089.35</u>
	Total		<u>\$1,799,027.49</u>

Since December 31, 1952, applicant has borrowed an additional sum of \$72,385.65 from Dominguez Estate Company, bringing the total amount owing to that company from \$825,763.91 as shown in the preceding balance sheet to \$898,149.56. It now desires to fund its open account indebtedness into an unsecured promissory note dated February 1, 1953, due and payable on or before December 31, 1954, with interest at the rate of 3½% per annum.

From a review of this application we are of the opinion 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. Accordingly, an order will be entered granting applicant's 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 and that the application should be granted, as herein provided; therefore;

IT IS HEREBY ORDERED as follows:

1. Dominguez Water Corporation, on and after the effective date hereof and on or before June 30, 1953, may issue its promissory note, under the terms set forth in this application, in the principal amount of not exceeding \$898,149.56 for the purpose of refinancing open account indebtedness of like amount.

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 fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$899.00.

Dated at San Francisco, California, this 30th day of March, 1953.

A. J. D... ..
President

Justice F. Cooney

Harold P. Huls

John L. Mitchell

