

ORIGINALDecision No. 49829

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 MOUNTAIN PROPERTIES, INC., a
 California corporation under Section
 728 of the Public Utilities Code to
 increase its rates for its Twentynine
 Palms water system.

Application No. 34200

FIRST SUPPLEMENTAL OPINION AND ORDER

Mountain Properties, Inc., now Pacific Water Co., a California corporation, on March 3, 1954 filed a petition for modification of Paragraph 3 of the order in Decision No. 49434 dated December 15, 1953, seeking an extension of time for payment of earned advances for main extensions due under its presently filed Rule and Regulation No. 19.

By the above-numbered decision the Commission ordered as follows:

"3. That within ten days after the effective date of this Order, Applicant shall refund all earned advances, if any, for main extensions due under its presently filed Rule and Regulation No. 19, Water Main Extensions, and within thirty days thereafter shall notify this Commission in writing of its compliance with the conditions hereof."

In its petition for modification applicant alleges that it has been unable to comply with the above quoted provision of the order for the reason that it has expended all of

the funds received by it from a bond issue amounting to \$500,437.50 sold to Connecticut Mutual Life Insurance Company on June 4, 1953. It alleges further that its earnings from operations have been insufficient to effect the refunds ordered by the Commission. The accrued consumers' advances for the Twentynine Palms water system of applicant as of June 1953 amounted to \$5,738.67.

Applicant alleges that in order to refund the amounts due it will be necessary to obtain an additional bond issue and that it intends to issue such bonds to the Connecticut Mutual Life Insurance Company, which stated that it will take such bonds when applicant can comply with the earning requirements and the other requirements of its trust indenture. Such requirements provide that the net operating earnings shall be equal to at least twice the net annual bond interest requirements as provided in Section 4.02 of said indenture. For the first seven months' period to December 31, 1953 the net earnings before interest charges and income tax were \$16,803. The net earnings after interest and income tax were \$2,020.44. Twice the interest requirements for a \$700,000 bond issue at 4-1/2 percent for twelve months is \$63,000.

It appears that applicant is financially unable to comply with the provisions of the Commission's order and that

it would not be adverse to the public interest to grant the petition for modification and that a public hearing is not necessary, therefore,

IT IS HEREBY ORDERED that Paragraph 3 of Decision No. 49434 dated December 15, 1953 be modified to read as follows:

3. That when applicant has sold additional bonds or obtained sufficient funds from net operating earnings or elsewhere, and not later than December 31, 1954 applicant shall refund all earned advances, if any, for main extensions due under its presently filed Rule and Regulation No. 19, Water Main Extensions, and within 30 days thereafter shall notify this Commission in writing of its compliance with the conditions hereof.

The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California,
this 23rd day of March, 1954.

A. F. [Signature]
President
Maxwell [Signature]
Keneth [Signature]
[Signature]
Deane [Signature]
Commissioners