

ORIGINAL

Decision No. 4992S

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
	:	
MALIBU WATER COMPANY, a corporation,)	Application
for an order authorizing it to borrow	:	No. 35328
funds and execute a written contract)	
to evidence repayment of the same.	:	
-----)	

OPINION AND ORDER

Malibu Water Company, applicant herein, is a corporation engaged in the distribution of water as a public utility in certain sections of the shoreline of Malibu Ranch, westerly of the City of Santa Monica. In this application it reports that it is faced with the expenditure of \$37,425 to relocate a portion of its facilities because of the change in the location and grade of the Pacific Coast Highway and that, subject to receiving authorization from the Commission, it proposes to enter into an agreement with the State of California, acting through the Department of Public Works, by the terms of which the state will agree to advance said sum of \$37,425 to applicant to pay for such relocation work and applicant will agree to repay the sum in ten equal annual installments.

From financial statements filed in this proceeding it appears that applicant will not have sufficient cash on hand or available from operations to finance the relocation costs and that the proceeds to be obtained through the execution of the agreement with the State of California are required by it.^{1/} In our opinion the agreement is an evidence of indebtedness as defined in Section 817 of the Public Utilities Code and as such requires the Commission's approval; therefore,

^{1/} For the year 1953 applicant reported operating revenues of \$83,237 and a net loss of \$12,489, after deducting depreciation charges of \$30,017. At the close of the year it reported cash on hand of \$13,770.

IT IS HEREBY ORDERED as follows:

1. Malibu Water Company, on and after the effective date hereof and on or before September 30, 1954, may execute an agreement with the State of California, acting through the Department of Public Works, providing for the advance by said state to applicant of the sum of \$37,425 to finance relocation costs, it being the opinion of the Commission that the money, property or labor to be procured or paid for by the execution of said agreement is reasonably required by applicant for the purpose specified herein. The agreement shall be in, or substantially in, the same form as that filed in this proceeding as Exhibit A.

2. Within 30 days after the execution of the agreement under the authorization herein granted, applicant shall file a copy of said agreement with the Commission.

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 \$38.00.

Dated at San Francisco, California, this 20th day of April, 1954.

R. Z. [Signature]
President

Justin J. Callahan
Francis H. Pottel
John L. [Signature]
Dane Higgins
Commissioners

