

Decision No. 51172

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
FELTON WATER CO.)
a Corporation, for Authority to)
Issue a Note in the Amount of \$12,000.)
-----)

Application
No. 36702

OPINION AND ORDER

Felton Water Co., a corporation, has filed this application for authorization to issue a note in the principal amount of \$12,000 to obtain the necessary funds for the purpose of paying outstanding indebtedness and of financing the cost of additional facilities. The note will be issued to County First National Bank of Santa Cruz and will be payable in semi-annual installments of \$1,250, plus interest at the rate of 6% per annum.

Applicant is engaged as a public utility in the distribution of water to approximately 730 customers in and about the Town of Felton, Santa Cruz County. It reports that in order to improve its service it spent \$6,011.79 during 1954 for pipelines, a new pump, tanks, and miscellaneous items, and it asserts that it is called upon to spend an additional \$8,500 for the purpose of installing a four-inch pipeline along Fall Creek Road and the State Highway to replace a present two-inch line. The application shows that Fall Creek Road is about to be paved and that it is necessary for the pipeline first to be replaced and also extended.

It appears that applicant does not have sufficient cash on hand to meet its requirements and that it has arranged to borrow the \$12,000 to pay outstanding obligations which were incurred in

connection with the 1954 construction and to meet the additional costs as outlined herein.

The Commission has considered this matter and is 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. Felton Water Co. may issue a promissory note, on or before July 31, 1955, in the principal amount of not exceeding \$12,000 for the purposes set forth in this application.

2. Applicant shall file with the Commission a report, or 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 \$25.

Dated at San Francisco, California, this 8th day of March, 1955.

[Signature]
President

[Signature]

[Signature]

[Signature]

Commissioners

