

ORIGINAL

Decision No. 51277

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application)	
	:	
of C. L. Beltz)	Application
	:	No. 36805
to borrow additional money.)	
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OPINION AND ORDER

C. L. Beltz has filed this application for authorization to execute a deed of trust and a chattel mortgage and to issue a note in the principal amount of \$25,000 for the purpose of paying outstanding indebtedness and of financing the cost of additions and betterments.

Applicant is engaged in operating the C. L. Beltz Water System serving approximately 900 customers in the territory commonly known as Pleasure Point and Breakers Beach, in an unincorporated part of the County of Santa Cruz. He reports that additional funds are needed to meet the demands of the increasing population in his service area and that specifically he is called upon to expend \$3,000 for a new well and pumping equipment, \$18,600 for new mains consisting of 1,500 feet of 8-inch, 4,000 feet of 6-inch and 700 feet of 4-inch asbestos cement pipe, and \$4,640 to retire the balance presently outstanding under an existing deed of trust, the three items aggregating \$26,240. Applicant further reports that he does not have sufficient cash on hand to meet these requirements and that he has arranged to borrow the sum of \$25,000 from County Bank of Santa Cruz. The proposed borrowing will be

represented by a 5% note payable over a period of ten years, the payment to be secured by a deed of trust and a chattel mortgage on the water system and equipment.

As of December 31, 1954, applicant reports current assets of \$5,636 and current liabilities of \$2,918. He reports that he has invested in utility plant the sum of \$81,271, after deducting accumulated depreciation reserve, and that he has financed himself almost entirely with proprietary capital, the amount of such capital being set forth at \$76,758. For the year 1954 applicant received revenues of \$27,700, with net income of \$5,408 before federal and state taxes.

From a review of the application it appears that applicant will have need for additional funds from external sources to enable him to meet his capital requirements, that his assets and earnings should be ample to support the proposed issue, and that a public hearing is not necessary in this matter, therefore,

IT IS HEREBY ORDERED as follows:

1. C. L. Beltz may execute a deed of trust and a chattel mortgage in, or substantially in, the same form as those filed in this proceeding as Exhibit I and Exhibit II, respectively, and may issue his promissory note in the principal amount of not exceeding \$25,000, payable over a period of ten years with interest at the rate of 5% per annum.

2. C. L. Beltz shall use the proceeds to be received through the issue of such note for the purposes set forth in this application, it being our 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 such purposes, which purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income.

3. C. L. Beltz 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.

4. 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 \$25.

Dated at San Francisco, California, this 5th day of April, 1955.

Arthur E. Mitchell
 President

Justus J. Calver

Raymond L. Linterman

William H. Cook

Commissioners

