

ORIGINAL

Decision No. 52043

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
BERLU WATER COMPANY, a Corporation, :
for an Order Authorizing the issuance) :
of a \$40,000.00 note, pursuant to :
Section 816-830 of the California) :
Public Utilities Code :
-----)

Application
No. 37310

OPINION AND ORDER

This is an application for an order authorizing Berlu Water Company, a corporation, to execute a deed of trust, a mortgage of chattels, and an assignment of income due from consumers, and to issue a promissory note in the principal amount of \$40,000 for the purpose of financing the cost of additions and improvements.

Applicant is a California corporation, organized in 1928, and engaged in operating a public utility water system in the vicinity of Bellflower, Los Angeles County. Recently, the Commission reviewed applicant's properties and operations and in Decision No. 51612, dated June 28, 1955, in Application No. 36785, authorized increases in rates which were designed to produce net operating revenues of \$3,960, an amount equivalent to a return of 13.2% on a depreciated rate base of \$30,000 for the estimated average year 1955. Ordering paragraph 2(a) of the decision in the former matter requires applicant to complete the installation of booster pumps, surge basin and main replacement program on its lower system. Applicant wishes to comply with such provision, and also to install meters throughout the system.

In order to finance the aforementioned improvements, applicant is negotiating with Long Beach National Bank, in participation with the Small Business Association of the United States of

America, for a loan in the principal amount of \$40,000, payable in monthly installments of \$440.10, including interest at the rate of six per cent per annum on unpaid principal, secured by a first deed of trust, a mortgage of chattels, and an assignment of income due from consumers.

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. Berlu Water Company, on and after the effective date hereof and on or before December 31, 1955, may execute a deed of trust, a mortgage of chattels, and an assignment of income due from consumers, and may issue a promissory note in the principal amount of not exceeding \$40,000, all in, or substantially in, the same form as those filed in this proceeding as Exhibit B, for the purposes specified in the application.

2. Berlu Water Company 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 \$40..

Dated at San Francisco, California, this 11th day of October, 1955.

John E. Mitchell
President

Justin D. Caldwell

Roxley Ventresca

William J. Doherty

R. Hardy
Commissioners

