

ORIGINALDecision No. 52738

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of EVERGREEN WATER COMPANY, INC., a California Corporation, to issue a \$7,252.49 note secured by a first deed of trust; to discharge two outstanding promissory notes secured by a first deed of trust and chattel mortgage respectively; and to pay County taxes.

Application
No. 37776OPINION AND ORDER

Evergreen Water Company, Inc., applicant herein, is a public utility water corporation operating in Santa Clara County, near San Jose.^{1/} In this application it seeks authorization to execute a deed of trust and to issue a note in the principal amount of \$7,252.49 for the purpose of refinancing outstanding indebtedness of like amount.

The application shows that the company's properties are subject to the following encumbrances:

Note in favor of Bank of America, secured by deed of trust, payable \$56 monthly at 7%	\$5,237.93
Note in favor of Grange Credit Union, secured by chattel mortgage, payable \$60 monthly at 7%	1,398.78
Santa Clara County taxes	<u>615.78</u>
Total	<u>\$7,252.49</u>

^{1/} Applicant was certificated by Decision No. 50397, dated August 10, 1954, and thereafter took over the operations of Fred W. Porter who had acquired real properties, incurred indebtedness and installed a water system.

Applicant desires to consolidate the three items of indebtedness into one new obligation and has arranged to borrow \$7,252.49 from C. L. Keaton for this purpose. The new borrowing will be represented by a note payable in monthly installments of \$60 or more inclusive of interest at the rate of 6% per annum, payment to be secured by a deed of trust. Through the refinancing program as thus arranged applicant will reduce its monthly cash outlay on its obligations from \$116 to \$60 as well as decreasing the interest rate applicable to such indebtedness.

It appears that the transaction will not affect the consumers adversely. In our opinion a public hearing is not necessary on this application, the money, property or labor to be procured or paid for through the issue of the note herein authorized is reasonably required by applicant for the purpose specified, and the expenditures for such purpose, except for the payment of taxes, are not, in whole or in part, reasonably chargeable to operating expenses or to income, therefore,

IT IS HEREBY ORDERED as follows:

1. Evergreen Water Company, Inc., may execute a deed of trust and issue a note in the face amount of not exceeding \$7,252.49 for the purpose of paying outstanding indebtedness of like amount. Said deed of trust and note shall be in, or substantially in, the same form as those filed in this application.

2. Evergreen Water Company, Inc., 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 Evergreen Water Company, Inc., 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 13th day of March, 1956.

[Signature]
President

[Signature]
[Signature]

[Signature]
[Signature]
Commissioners

