

Decision No. 53197**ORIGINAL**

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	:	No. 38051
execute a renewal note.	)	
-----	:	

OPINION AND ORDER

This is an application for an order authorizing Malibu Water Company to issue a short-term unsecured note, and renewals thereof, in the principal amount of not exceeding \$7,500.

Applicant is a California 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. It has reported 1,455 active service connections at December 31, 1955.

The application shows that on May 3, 1955, applicant borrowed \$20,000 from Security-First National Bank of Los Angeles for working capital and to enable it to meet capital expenses, primarily for the purchase of new water meters. Such borrowing, and reductions thereof, have been evidenced by unsecured short-term notes bearing interest at the rate of 5% per annum, with reported issue and due dates as follows:

<u>Date</u>		
<u>Issued</u>	<u>Due</u>	<u>Amount</u>
5-3-55	8-1-55	\$20,000
8-1-55	10-31-55	20,000
10-31-55	1-30-56	15,000
1-30-56	4-25-56	10,000
4-25-56	7-24-56	7,500

The latest renewal note is payable more than 12 months after date of the original note and, according to Section 825 of the

Public Utilities Code, is void, having been issued without an order of the Commission authorizing the issue thereof then in effect. It appears that applicant's failure to obtain the necessary prior authorization was through inadvertence and without intent to evade the provisions of the Public Utilities Code.

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 notes herein authorized is reasonably required by applicant for the purpose specified herein, and such such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income, therefore,

IT IS HEREBY ORDERED as follows:

1. Malibu Water Company, on and after the effective date hereof, may issue a note, and renewal notes thereof, in the principal amount of not exceeding \$7,500, bearing interest at the rate of not exceeding 5% per annum and having a final maturity date of not later than April 25, 1957, for the purpose of refinancing existing indebtedness.

2. Within 30 days after issuing each note herein authorized, Malibu Water Company shall file a copy thereof with the Commission.

3. The authority herein granted will become effective when Malibu Water Company 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 12<sup>th</sup> day of June, 1956.

[Signature]  
President

[Signature]

[Signature]

[Signature]

[Signature]

Commissioners

