

ORIGINAL

Decision No. 53871

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of FRUITRIDGE VISTA WATER COMPANY
SACRAMENTO, CALIFORNIA for author-
ity to issue note. Certificate
No. 48383

Application No. 38389

O P I N I O N

This is an application for an order authorizing Fruitridge Vista Water Company, a corporation, to execute a deed of trust and to issue a note in the principal amount of \$40,000 to finance the cost of improvements and extensions.

Applicant is a California corporation organized in 1950. Under authorization granted by Decision No. 48383, dated March 24, 1953, it undertook operations as a public utility in Sacramento County, acquired certain water facilities from Artz & Cook, Inc., et al., and issued \$68,000 par value of its stock in payment for such facilities and to provide working capital. It appears that such stock was issued to Artz & Cook, Inc., and to members of the Cook family.

In Exhibit "C" applicant reports its net investment in fixed capital as of March 31, 1956, at \$234,442, which appears to be represented, for its most part, by advances of \$40,813 from Artz & Cook, Inc., by subdividers' advances of \$88,406, and by common stock equity capital of \$102,732. It has reported operating revenues for 1955 at \$54,601 and net income at \$18,464, with 1,854 services.

In the present proceeding applicant asserts that it has need for \$40,000 to improve existing facilities and to provide distribution mains to serve new homes. It intends to borrow the amount from Artz & Cook, Inc., and to issue, in evidence of this borrowing, a promissory note payable in monthly installments of \$754.86 with interest at the rate of 5% per annum. Specifically, it proposes to apply the proceeds toward the following costs:

- 1. Installation of a pump and well in Fruitridge Vista Subdivision Unit #10 in Sacramento County, California, at a cost of \$ 8,761.09
- 2. Installation of water distribution mains to service the Fruitridge Vista Subdivision Unit #14 in Sacramento County, California, at a cost of \$33,423.33

From a review of the verified application we are of the opinion that a public hearing is not necessary, that the money, property or labor to be procured or paid for by the issue of the note is reasonably required for the purpose specified herein, that the expenditures of said purpose are not, in whole or in part, reasonably chargeable to operating expenses or to income, and that the requests of applicant should be granted.

The approval indicated herein is for the execution of indebtedness only and is not to be construed as indicative of amounts to be included in a future rate base for the purpose of determining just and reasonable rates.

O R D E R

The Commission having considered the above-entitled matter and being of the opinion the application should be granted; therefore,

IT IS HEREBY ORDERED as follows:

1. Fruitridge Vista Water Company, a corporation, may execute a deed of trust and issue a note in the principal amount of not exceeding \$40,000 for the purpose of financing the cost of improvements and extensions, as indicated in this application. The deed of trust and note shall be in, or substantially in, the same form as those filed in this proceeding.

2. Applicant shall file 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 fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$40.

Dated at San Francisco, California, this 9th day of October, 1956.

[Signature] President
[Signature]
[Signature]
[Signature]
[Signature] Commissioners

