

ORIGINAL

Decision No. 56800

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

APPLICATION OF TUSTIN WATER WORKS,
a corporation, FOR PERMIT TO ISSUE
BONDS.

Application No. 40038

Walter Rawlings and James B. Utt, for applicant.

O P I N I O N

Tustin Water Works, a corporation, has filed this application for authorization to issue and sell \$250,000 principal amount of bonds. The bonds will be unsecured, will be registered, will bear interest at the rate of 5-1/2% per annum and will mature 12 years after date of issue. They will be offered to applicant's customers.

The application was filed on April 24, 1958. A public hearing was held before Examiner Coleman in Los Angeles on June 2, 1958, at which time the matter was taken under submission. The Commission has received no protests in the proceeding.

Applicant is engaged, as a public utility, in the distribution of water in and about the City of Tustin in Orange County. The following tabulation, prepared from filed annual reports, indicates the extent of the operations and the growth during the last four years:

	<u>Operating Revenues</u>	<u>Net Income</u>	<u>Net Plant Dec. 31</u>	<u>Metered Customers Dec. 31</u>
1954	\$ 63,075	\$ 7,372	\$347,081	2,042
1955	93,630	15,320	536,339	2,678
1956	144,652	34,527	797,796	3,578
1957	169,311	38,933	954,960	4,041

The company's financial position as of December 31, 1957, is indicated in the following condensed balance sheet:

Assets

Current assets	\$ 37,548
Utility plant, net	954,960
Other investments (water stock)	7,337
Deferred assets	678
Total	<u>\$1,000,523</u>

Liabilities and Capital

Current liabilities	\$ 45,115
Notes payable	32,530
Advances for construction	449,069
Donations in aid of construction	20,897
Preferred stock	300,000
Common stock and surplus	152,912
Total	<u>\$1,000,523</u>

The purpose of the presently proposed financing is to provide applicant with funds to meet estimated capital costs as follows:

2 reservoirs, 5-million gallons	\$125,000
2 wells, pumps, land, buildings	35,000
1,000 meters	30,000
Water mains	40,000
Freeway costs	10,000
Automatic and remote controls	10,000
Total	<u>\$250,000</u>

Applicant estimates it will add about 600 new customers to its lines during 1958. It asserts that its present storage facilities, which aggregate approximately 1,500,000 gallons, are inadequate to meet the requirements of present and prospective water users; that new wells are needed; and that the proposed facilities will permit 24-hour pumping operations and will provide an adequate supply of water during the summer months.

Proposed improvements, other than the new reservoirs and wells, include meters for additional services during 1958 and 1959, water mains to connect the new reservoirs and wells with the system, relocation costs to be incurred by county street widening and state freeway programs, and automatic equipment for all its wells and reservoirs.

Upon reviewing the record we are of the opinion that the application should be granted, that the money, property or labor to be procured or paid for by the issue of the bonds herein authorized is reasonably required by applicant for the purpose specified herein, and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income. An order will be entered.

The authorization herein granted is for the issue of bonds and is not to be construed as indicative of amounts to be included in a future rate base for the determination of just and reasonable rates.

ORDER

A public hearing having been held in the above-entitled matter and it appearing that the application should be granted, now therefore,

IT IS HEREBY ORDERED as follows:

1. Tustin Water Works, on and after the effective date of this order and on or before December 31, 1958, may issue and sell not to exceed \$250,000 in principal amount of its bonds under the terms and for the purpose set forth in this application.

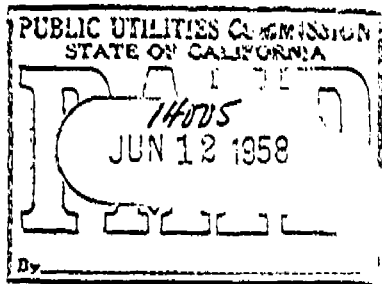
2. Tustin Water Works shall file with the Commission a report, or reports, as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

3. The authority herein granted will become effective when Tustin Water Works has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$250.

Dated at San Francisco, California, this 9th day of June, 1958.

[Signature]
President
[Signature]
[Signature]

Commissioners



Ray E. Untereiner +
Commissioner S. Matthew J. Dooley being necessarily absent, did not participate in the disposition of this proceeding.

CORRECTION

CORRECTION

THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY