

**ORIGINAL**

Decision No. 56903

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application  
of C. L. Beltz  
to borrow additional money

Application No. 40152

OPINION AND ORDER

This is an application for an order of the Commission authorizing C. L. Beltz to issue a note in the principal amount of not exceeding \$28,421.93 for the purposes of paying outstanding indebtedness and of financing the cost of additions and betterments.

Applicant is engaged in operating the C. L. Beltz Water System serving approximately 1,000 customers in the territory commonly known as Pleasure Point and Breakers Beach, in an unincorporated part of the County of Santa Cruz. He reports that he has arranged to borrow the sum of \$10,000 from County Bank of Santa Cruz to finance, in part, the cost of 2,250 feet of 8", 4,000 feet of 6" and 4,100 feet of 4" asbestos cement pipe for expansion and for replacement of old and obsolete steel mains.

The proposed borrowing of \$10,000 will be combined with an existing indebtedness of \$18,421.93 presently owing to County Bank of Santa Cruz, and the combined total of \$28,421.93 will be represented by a note, payable in monthly installments of approximately \$450 including interest at the rate of 5% per annum.

As of December 31, 1957, applicant reports current assets of \$7,320 and current liabilities of \$1,842. He reports that he has invested in utility plant the sum of \$108,141, after deducting the accumulated depreciation reserve, and that the bulk of his financing is by means of proprietary capital, the amount of such capital being set forth at \$92,749. For the year 1957 applicant reports operating revenues of \$33,215, with operating income of \$5,450 after providing for depreciation accruals of \$6,017.

From a review of the application it appears that applicant will have need for additional funds from external sources to enable him to meet his capital requirements, that his assets and earnings should be ample to support the proposed issue, and that a public hearing is not necessary in this matter; therefore,

IT IS HEREBY ORDERED as follows:

1. C. L. Beltz, on and after the effective date hereof and on or before December 31, 1958, may issue his promissory note in the principal amount of not exceeding \$28,421.93, payable in monthly installments of approximately \$450 including interest at the rate of 5% per annum.

2. C. L. Beltz shall use the proceeds to be received through the issue of such note for the purposes set forth in this application, it being our opinion 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 such purposes, which purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income.

3. The authorization herein granted is for the issuance of a note 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.

4. C. L. Beltz 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.

5. The authority herein granted will become effective when applicant 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 14th day of July, 1958.

E. Lynn Fox  
President  
Paul E. G. ...  
Paul G. ...  
William ...  
Theodore ...  
Commissioners

