

ORIGINAL

Decision No. 58515

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of

NEWMAN WATER WORKS, INC., a
corporation, to borrow for the
purpose of paying indebtedness
and for financing deferred
maintenance and capital additions.

Application No. 41115

OPINION AND ORDER

Newman Water Works, Inc., has filed this application for authorization to execute a deed of trust and mortgage of chattels and to issue a note in the principal amount of \$12,000, payable in monthly installments of \$133.23, with interest at the rate of 6% per annum.

Applicant is engaged in business as a public utility supplying water for domestic, business and industrial purposes in and about the City of Newman, County of Stanislaus. Its balance sheet filed with the Commission shows its recorded net investment in utility plant as of December 31, 1958, at \$59,240.50 and its indicated sources of funds as follows:

Current liabilities -		
Notes payable	\$3,950.00	
Accounts payable	1,334.12	
Customers' deposits	191.71	
Subtotal	<u>5,475.83</u>	
Less - current assets	<u>2,991.18</u>	
Net current liabilities		\$ 2,484.65
Advances for construction		4,870.77
Common stock equity		<u>51,885.08</u>
Total		<u>\$59,240.50</u>

Applicant now reports that it has need for additional funds to pay for deferred maintenance and capital additions of \$5,497.16, to liquidate its outstanding notes and other indebtedness and to provide working capital for its operations and that it intends to use the proceeds from its proposed note issue for these purposes.

The Commission has considered this matter and is of the opinion that a public hearing is not necessary, that the money, property or labor to be procured or paid for through the issue of the note herein authorized is reasonably required for the purposes specified herein, and that such purposes, except as otherwise indicated in the application, are not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

1. Newman Water Works, Inc., on and after the effective date hereof and on or before September 30, 1959, may execute a deed of trust and a mortgage of chattels in, or substantially in, the same form as those filed in this proceeding and may issue its promissory note in the principal amount of not to exceed \$12,000 for the purposes set forth in this application.

2. Newman Water Works, 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 authorization herein granted shall not be construed as indicative of amounts to be included in a future rate base for the determination of just and reasonable rates.

4. The authority herein granted will become effective when Newman Water Works, 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
22nd day of May, 1959.

E. J. Fox
President
Everett P. [Signature]

Commissioners

