

ORIGINAL

Decision No. 65214

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of PEERLESS LAND & WATER CO., INC., under Section 817 of the Public Utilities Code for authority to issue a note or notes payable at periods more than twelve months after the date thereof

Application No. 45271  
Filed March 25, 1963

O P I N I O N

This is an application for an order of the Commission authorizing Peerless Land & Water Co., Inc., to execute a conditional sale contract in the amount of not to exceed \$35,000 and to issue two notes in the total principal amount of \$57,900.

Applicant is engaged in business as a public utility water corporation in portions of Los Angeles County. It appears that as of December 31, 1962 the company had 1,976 active service connections, of which 960 were metered and 1,016 were flat rate, and that the company now proposes to acquire and install approximately 1,000 meters during the next twelve months at an estimated cost of not to exceed \$68,000.

To finance the metering program applicant proposes to borrow \$33,000 from its President, Sarah G. Zastrow, and to enter into a conditional sale contract with Rockwell

Manufacturing Company in the amount of not to exceed \$35,000, to cover costs, sales tax and interest. The contract will extend over a period of not to exceed 42 months.

The application shows that the company presently is indebted to J. W. Zastrow, Trustee under the Will of C. L. Zastrow, deceased, in the amount of \$7,000, representing borrowings to meet the cost of acquiring and installing meters and service connection fittings, and to Sarah G. Zastrow in the amount of \$17,900, representing borrowings for working capital and for the acquisition of equipment. The company now proposes to refinance the \$7,000 loan by the issue of a new note payable five years after date of issue, with interest at the rate of 6 percent per annum, and to consolidate the \$17,900 indebtedness to Sarah G. Zastrow with the additional borrowing of \$33,000 into a new loan in the total amount of \$50,900, to be represented by a note payable ten years after date of issue, with interest at the rate of 6 percent per annum.

We have considered this matter and are of the opinion, and so find, that the application should be granted; that the money, property or labor to be procured or paid for by the issue of such conditional sale contract and notes herein authorized is reasonably required for the purposes specified herein; and that such purposes are not, except as otherwise authorized, reasonably chargeable to operating expenses or to income. A public hearing is not necessary.

O R D E R

IT IS ORDERED that:

1. Peerless Land & Water Co., Inc., on or after the effective date hereof and on or before September 30, 1963, may execute a conditional sale contract in the amount of not to exceed \$35,000 and may issue two notes in the total face amount of \$57,900, in the form, under the terms and for the purposes specified in this application.

2. Peerless Land & Water Co., 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 authority herein granted shall become effective when Peerless Land & Water Co., Inc., has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$93.

Dated at San Francisco, California,  
this 16<sup>th</sup> day of April, 1963.

George H. Hoover  
President  
Robert E. Marshall  
Charles W. Ray  
Frederick B. Haliloff  
Shallan W. Powell  
Commissioners

