

Decision No. 66699

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of the Great Oaks Water Company,
a Corporation, for authorization
to execute evidence of
indebtedness.

Application No. 45990
Filed December 3, 1963

O P I N I O N

This is an application for an order of the Commission authorizing Great Oaks Water Co. to assume payment on a \$17,000 note.

Applicant is a California corporation operating a public utility water system in a portion of Santa Clara County. It reports that at the time it acquired certain real property in 1961 from a nonutility owner that said property was encumbered by a deed of trust dated March 1, 1960 to secure payment of a \$17,000 promissory note. The provisions of the Public Utilities Code did not apply at the time of issuance because the note and deed of trust were not executed by a public utility. Said note is in favor of Guaranty Savings and Loan Association and is payable over a period of twenty-four years in equal monthly installments of \$125, including interest at 7.2% per annum. Applicant reports an unpaid balance of \$16,279.73 which it owes on the note.

The corporation did not obtain authorization from the Commission to assume the indebtedness represented by said note as required by Section 830 of the Public Utilities Code. It appears, however, that applicant's failure to do so was through inadvertence and that when the requirements of the code were called to its attention, it forthwith filed the present application requesting the Commission to authorize assumption of the outstanding indebtedness.

Section 830 of the Public Utilities Code declares void the assumption by a public utility of obligations payable at periods of more than twelve months made without approval of the Commission. After consideration, we find that the note and deed of trust when first issued were not subject to Commission approval and that the assumption of said indebtedness by applicant is not adverse to the public interest. On the basis of these findings we conclude that applicant should be authorized to assume said indebtedness. A public hearing is not necessary.

The authorization herein given is not to be construed as indicative of amounts to be included in future proceedings for the determination of just and reasonable rates.

O R D E R

IT IS ORDERED that:

1. Great Oaks Water Co. may assume the indebtedness represented by the \$17,000 note, a copy of which is attached to the application filed in this proceeding.

2. The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 28th day of JANUARY, 1964.

William W. Dennis
President

John E. [unclear]

George W. [unclear]

George T. [unclear]

Frederick B. Hallock
Commissioners