

ORIGINAL

Decision No. 67138

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
SUNSET BEACH-SURFSIDE WATER COMPANY  
For An Order Authorizing It To Issue  
A \$45,000.00 Note.

Application No. 46331  
Filed March 30, 1964

O P I N I O N

This is an application for an order of the Commission authorizing Sunset Beach-Surfside Water Company to issue a \$45,000 note.

Applicant is a California corporation engaged as a public utility in providing water service to approximately 600 consumers in the Sunset Beach and Surfside areas of Orange County. The company reports that the water facilities presently include in excess of 3,000 feet of three- and four-inch wooden pipe which is no longer serviceable and that said pipe will be replaced with new six-inch transite pipe. Applicant asserts that it is necessary to improve the quality of service further by adding to existing facilities about 3,000 feet of new six-inch transite pipe to provide a means for circulating water through portions of the system, and that it is desirable also to install some 100 meters in order to eliminate flat rate service to the extent practicable.

The application shows that the contemplated additions and replacements will cost an estimated \$54,900, and that the company has financed a portion of said cost by issuing a \$45,000 short-term 6% unsecured promissory note in favor of the Union Bank. Applicant now proposes to convert this borrowing into long-term indebtedness on which principal payments will be made in gradually increasing quarterly installments ranging from \$1,500 to \$2,750 over a five-year period. The proposed note will bear interest at 6% per annum and repayment will be guaranteed by Christiana Oil Corporation, an affiliate of applicant.

The Commission has considered this matter and finds that: (1) the proposed note is for a proper purpose; (2) the money, property or labor to be procured or paid for by the issue of the note herein authorized is reasonably required for the purpose specified herein; and (3) such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income. On the basis of these findings we conclude that the application should be granted. A public hearing is not necessary.

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

O R D E R

IT IS ORDERED that:

1. Sunset Beach-Surfside Water Company, on or after the effective date hereof and on or before July 31, 1964, may issue a promissory note in the principal amount of not to exceed \$45,000, under the terms and for the purpose set forth in this application.

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

3. This order shall become effective when Sunset Beach-Surfside Water Company has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$45.

Dated at San Francisco, California, this 28<sup>th</sup> day of APRIL, 1964.

William A. Beards  
President

George G. Grover  
Fredrick B. Holdhoff

George G. Grover  
Fredrick B. Holdhoff  
Commissioners

