

**ORIGINAL**

Decision No. 73540

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
 of )  
 MALIBU WATER COMPANY, )  
 a corporation, for authority to )  
 enter into conditional sales )  
 contract. )

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Application No. 49777  
Filed November 3, 1967

O P I N I O N

Malibu Water Company is a California corporation providing public utility water service in Malibu and vicinity, Los Angeles County. In this application the company seeks an order of the Commission authorizing it to enter into a conditional sales contract, the terms and conditions of which are set forth in a Security Agreement.

The application shows that on or about December 19, 1966, the company entered into an agreement with Rockwell Manufacturing Company for the purchase of 701 water meters for a total purchase price of \$38,502.42. After deducting a cash down payment of \$3,850.24, the balance of \$34,652.18 plus \$3,440.14 interest computed at an effective rate of 6-1/4% per annum, or a total of \$38,092.32, was repayable in 36 monthly installments of \$1,058.12. It appears that applicant entered into the agreement inadvertently without first receiving authority from this Commission as required by the Public Utilities Code.

In this proceeding applicant seeks authority to complete the present agreement in accordance with its terms or, in the alternative, to enter into a new agreement with Rockwell Manufacturing Company for the payment of 26 monthly installments aggregating \$27,511.12, which remained outstanding at the time of filing the application.

The Commission has considered this matter and finds that: (1) applicant, through inadvertence, executed a Security Agreement, included in which was an evidence of indebtedness, for a proper purpose prior to receiving authority to do so from this Commission; (2) the money, property or labor to be procured or paid for by the issue of the evidence of indebtedness herein authorized is reasonably required for the purpose specified herein; (3) such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income; and (4) the proposed Security Agreement will not be adverse to the public interest. A public hearing is not necessary.

On the basis of the foregoing findings we conclude that: (a) the Security Agreement entered into by applicant for the purchase of 701 meters is void and (b) applicant should be authorized to execute, deliver and enter into a new agreement for the repayment of the outstanding balance under the unauthorized agreement. The authorization herein granted is for the purpose of this proceeding only and 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. On or after the effective date hereof and on or before March 31, 1968, Malibu Water Company may execute, deliver and enter into a new Security Agreement setting forth the terms and conditions for repayment of an indebtedness in the aggregate amount of not exceeding \$27,511.12. Said instrument shall replace the corresponding unauthorized document and shall be in the same form, or in substantially the same form, as that attached to the application as Exhibit B with appropriate reductions in amounts to reflect payments actually made.

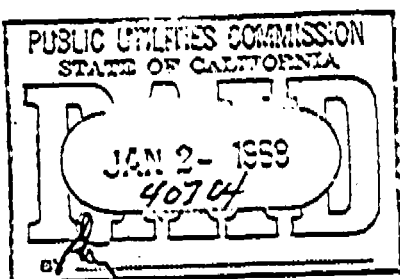
2. Malibu Water Company shall file with the Commission a report, or reports, as required by General Order No. 24-B, which order, insofar as applicable, is hereby made a part of this order.

3. This order shall become effective when Malibu Water Company has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$28.

Dated at San Francisco, California,  
 this 27<sup>th</sup> day of DECEMBER, 1967.

*[Signature]*  
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 President

*[Signature]*  
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*[Signature]*  
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 Commissioners



Commissioner William M. Bennett, being necessarily absent, did not participate in the disposition of this proceeding.