

Decision No. 86773

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA.

Application of ARDEN WATER COMPANY )  
 to issue a \$50,000 Note and to )  
 execute and deliver a Deed of Trust. )

Application No. 55900  
 (Filed November 30, 1976)

O P I N I O N

Arden Water Company seeks authority to issue a \$50,000 note and to execute and deliver a Deed of Trust.

Applicant is a California corporation operating a water system at Wofford Heights in Kern County. Its reported assets and liabilities at September 30, 1976, as summarized from Exhibit A attached to the application, are as follows:

Assets

Water plant less reserve for depreciation	\$356,376
Other assets	<u>34,045</u>
Total	<u>\$390,421</u>

Liabilities

Common stock	\$ 62,261
Premiums on common stock	53,000
Earned surplus	50,121
Long-term debt	15,000
Advances for construction	83,219
Contributions in aid of construction	117,097
Other liabilities	<u>9,123</u>
Total	<u>\$390,421</u>

In connection with its main-replacement program for alleviating leakage problems, applicant proposes initially to replace 3,350 feet of mains and appurtenances at an estimated cost of \$31,837. In addition, the utility intends to purchase a backhoe for approximately \$19,232 and additional items of equipment estimated to cost \$2,831 in the aggregate. The total estimated cost of said mains, appurtenances, backhoe and other equipment is \$54,000, of which applicant would obtain \$50,000 through Small Business Administration financing.

The \$50,000 borrowing would be represented by a note repayable in 120 monthly installments of \$571 including interest at the rate of 6-5/8% per annum, and would be secured by nonutility items and a first deed of trust on applicant's two-story office building located at 721 Sierra Vista Drive, Wofford Heights, California.

After consideration the Commission finds that:

1. The proposed note would be for proper purposes.
2. The proposed documents would not be adverse to the public interest.
3. The money, property or labor to be procured or paid for by the note herein authorized is reasonably required for the purposes specified herein, which purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income.
4. There is no known opposition and there is no reason to delay granting the relief requested.

On the basis of the foregoing findings we conclude that the application should be granted, and the effective date of the order should be the date on which applicant pays the prescribed fee. A public hearing is not necessary. 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

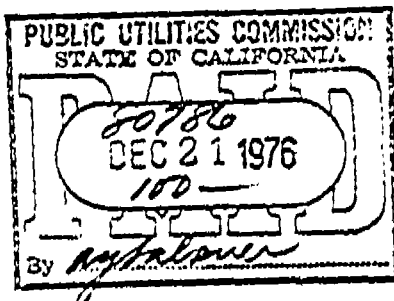
IT IS ORDERED that:

1. Arden Water Company, for the purposes set forth in the application, may execute and deliver a Deed of Trust encumbering real property located at 721 Sierra Vista Drive, Wofford Heights, California and, subject to a Loan Agreement, may issue a note in the principal amount of not exceeding \$50,000, which Loan Agreement and note shall be in substantially the same forms as those attached to the application as parts of Exhibit B.

2. Arden Water Company shall file with the Commission monthly reports 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 Arden Water Company has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$100.

Dated at San Francisco, California, this 21<sup>st</sup> day of DECEMBER, 1976.



[Signature] President  
William J. Lyons  
Vernon L. Sturgeon  
[Signature]  
Commissioners