

ORIGINALDecision No. ~~39848~~

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of A. J. Cain, doing Business as)
The Utilities Company of Novato,)
California, for permission to)
borrow money.)
-----)

Application
No. 28100O P I N I O N

A. J. Cain, doing business as The Utilities Company of Novato, asks permission to issue to the Novato Bank, his 5% note, payable five years after date for \$15,000, and use the proceeds for the purposes hereafter stated.

Applicant is engaged in the business of selling and distributing water and operating a telephone exchange and service in and around Novato, Marin County, California. As of November 30, 1946, he reports assets and liabilities as follows:

<u>Assets</u>	
Fixed capital - telephone	\$ 43,370.92
Fixed capital installed since December 31, 1912 - water	83,540.20
Cash	4,314.00
Accounts receivable - consumers and agents	1,533.05
Accounts receivable - others	4,383.28
Miscellaneous investments	7,069.56
Material and supplies	1,800.00
Prepaid insurance	
Total assets	<u>\$146,511.01</u>

<u>Liabilities</u>	
Capital investment	\$ 66,063.32
Notes payable	
Accounts payable	8,572.17
Taxes accrued	4,052.96
Consumers advances for construction	3,297.50
Depreciation reserve	63,975.06
Reserve for franchise tax	550.00
Total liabilities	<u>\$146,511.01</u>

For the eleven months ending November 30, 1946, applicant reports operating revenues from his water business at \$13,276.63, and operating revenues from his telephone business of \$22,339.89; and total operating revenue of \$35,616.52. For the period, applicant reports a net income of \$7,423.17.

Applicant proposes to use the \$15,000 for the following purposes:

Install additional water mains varying from 3/4 inch to 6 inches in diameter	\$3,000.
New common battery telephone switchboard	4,000.
New telephone poles and wire	3,000.
400 common battery telephones	3,000.
To pay note, held by Novato Bank.	2,000.
Total	\$15,000.

Applicant's petition shows that the above additions and betterments to his properties are necessary for the extension and improvements of his water and telephone service.

A copy of the proposed note is filed as Exhibit "D". It is payable 5 years after date and bears interest at the rate of 5% per annum. It occurs to us that the note should be amended so as to give applicant the option to pay it without premium, prior to its maturity date. The payment of the note will be secured by the deposit of 500 shares of common stock of Pacific Gas and Electric Company.

O R D E R

The Commission has considered applicant's request, and is of the opinion that this is not a matter on which a hearing is necessary, that the money, property or labor to be procured are paid for by the issue of the note herein authorized is reasonably

required by A.J. Cain, doing business as The Utilities Company of Novato, for the purposes herein stated and that this application should be granted as herein provided, therefore,

IT IS HEREBY ORDERED as follows:

1. A. J. Cain, doing business as The Utilities Company of Novato may, after the effective date hereof and on or before June 30, 1947, issue to the Novato Bank his promissory 5% note, payable on or before 5 years after date, for a sum not exceeding \$15,000. He shall use the proceeds realized through the issue of the note for the purposes set forth in the foregoing opinion.

2. The authority herein granted will become effective when A. J. Cain, doing business as The Utilities Company of Novato, has paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which minimum fee is Twenty-Five (\$25.00) Dollars.

3. A. J. Cain, doing business as The Utilities Company of Novato, shall file with the Commission reports required by the Commission's General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

Dated at San Francisco, California, this 7th day of:

January 1947.

Harold P. Kula
Justice J. Calves
Francis D. Lane
W. H. Frazier
R. B. Mudd

