

Decision No. 41279

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
)
 CLYDE W. HENRY,)
)
 an individual, doing business under)
 the firm name and style of Klamath)
 Water, Light and Power Co., for per-)
 mission to execute promissory note)
 and deed of trust, securing same, etc.)
 -----)

ORIGINAL

Application
No. 29132

O P I N I O N

Clyde W. Henry, doing business under the firm name and style of Klamath Water, Light and Power Co., asks permission to issue, for the purposes hereafter stated, a note for the principal sum of \$36,000 and execute a deed of trust to secure the payment of the note.

Applicant is engaged in selling water and electricity in the Town of Klamath, California, and surrounding territory.

The Commission by Decision No. 40504, dated July 8, 1947, in Application No. 28357, authorized applicant to increase temporarily his rates for electric service. Reference is made to said decision for a general description of applicant's properties situate at Klamath and vicinity. In Decision No. 40504 the Commission states that applicant has negotiated a contract for the purchase of electric energy from The California Oregon Power Company, and that applicant and the Power Company propose to construct a 12-KV line from Crescent City to Klamath. The cost of the line, including transformers and appurtenances, is

estimated at \$105,000. Of this sum applicant will pay about \$75,000, and The California Oregon Power Company the remaining \$30,000. The construction of the line and the purchase of electricity from The California Oregon Power Company will result in a material reduction in applicant's electric operating expenses, in better service and lower electric rates.

Applicant has made arrangements to borrow \$36,000 from L. W. Hosford of San Francisco. He will use the proceeds of the note to pay an outstanding note on which there was due on December 31, 1947, a balance of \$1,795.94, and to pay in part the cost of the new line, including transformers and appurtenances. The loan will be represented by a 4% promissory installment note. The principal and interest on the note are payable in monthly installments of \$1,000, the first payment being due November 1, 1948. The payment of the note will be secured by a deed of trust which will be a lien on applicant's properties situated at Klamath and vicinity.

ORDER

The Commission having considered the requests of Clyde W. Henry and it being of the opinion that this is not a matter on which a hearing is necessary, that the money, property or labor to be procured or paid for through the issue of said note is reasonably required by Clyde W. Henry for the purposes herein stated, which purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income, and that this application should be granted, as herein provided, therefore,

IT IS HEREBY ORDERED as follows:

1. Clyde W. Henry may, after the effective date hereof and on or before June 30, 1948, issue a 4% promissory installment note for the principal sum of \$36,000, and execute a deed of trust to secure the payment of said note, said note and said deed of trust to be in, or substantially in, the same form as the note and deed of trust on file in this application as Exhibit "A".

2. Clyde W. Henry shall use the proceeds realized through the issue of said note to pay the balance due on the outstanding note referred to in the preceding opinion, and to pay in part the cost of the new 12-KV line, including transformers and appurtenances, referred to in the foregoing opinion.

3. The authority herein granted will become effective when Clyde W. Henry has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is thirty-six (\$36.00) dollars.

4. Within thirty (30) days after said 12-KV line is placed in operation, Clyde W. Henry shall file with the Public Utilities Commission a statement showing in some detail the cost of said 12-KV line, transformers and appurtenances, the proceeds realized through the issue of the note herein authorized, and the purposes for which said proceeds were expended.

Dated at San Francisco, California, this 3rd day
of March, 1948.

R. J. [Signature]
Justus F. Calver
Harold P. [Signature]
[Signature]
Commissioners

