

Decision No. 44676**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 CECIL J. McINTYRE, KENNETH D. McINTYRE
 AND DORIS E. SCRUGGS doing business as
 a co-partnership under the firm name and
 style of INDIAN VALLEY LIGHT AND POWER
 COMPANY for an order of the Public
 Utilities Commission of the State of
 California authorizing applicant to
 issue an unsecured note.

Application
 No. 31676

O P I N I O N

Cecil J. McIntyre, Kenneth D. McIntyre and Doris E. Scruggs, applicants herein, have applied to the Commission for authority to issue an unsecured note for \$30,000 for the purpose of financing the cost of improvements to their electric plant.

Applicants, as partners doing business under the firm name and style of Indian Valley Light and Power Company, are engaged in purchasing electric energy and in distributing and selling the same for domestic, commercial, industrial, agricultural and municipal purposes in and about the communities of Greenville and Crescent Mills in Plumas County. Their annual reports to the Commission for the last five years show their operating revenues, net income and number of customers as follows:

	<u>Operating Revenues</u>	<u>Net Income</u>	<u>Customers</u>
1945	\$ 64,185	\$10,707	567
1946	79,545	11,113	636
1947	95,359	13,415	704
1948	103,962	12,545	740
1949	113,935	14,090	774

As of December 31, 1949, they report their balance sheet as follows:

<u>Assets</u>		
Electric plant		\$181,156.79
Current assets-		
Cash	\$ 9,756.84	
Accounts receivable	11,763.28	
Materials and supplies	<u>4,438.32</u>	
Total current assets		<u>25,958.44</u>
	Total	<u>\$207,115.23</u>

<u>Liabilities</u>		
Current liabilities		
Accounts payable	\$ 6,644.48	
Accrued taxes	<u>4,918.21</u>	
Total current liabilities		\$ 11,562.69
Customers' advances for construction		2,755.32
Contribution for construction		3,350.49
Reserve for depreciation		36,306.64
Owners' investment		<u>153,140.09</u>
	Total	<u>\$207,115.23</u>

It appears that applicants' lines are overloaded and that they find it necessary to provide additional transmission and distribution capacity. Accordingly, they propose to change part of their distribution system from 4 kv to 12 kv and to install three new 1000 kva transformers and five new 500 kva transformers. The total costs of the improvements are estimated at \$52,346.

To meet in part the estimated costs, applicants have made arrangements to borrow \$30,000 from The Anglo California National Bank of San Francisco, the amount to be represented by an unsecured note payable in four equal consecutive annual installments of \$7,500 each, beginning one year from the date of note, with interest on deferred payments at the rate of 5% per annum, payable semi-annually. A copy of the form of the proposed note has been filed with the application.

It appears that applicants will have need for the funds to be obtained through the issue of the note. An order will be entered on their request.

O R D E R

The Commission having considered the above entitled application and being of the opinion that the request of applicants should be granted; that the money, property or labor to be procured or paid for through the issue of the note herein authorized is reasonably required for the purposes specified herein; and that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

1. Cecil J. McIntyre, Kenneth D. McIntyre and Doris E. Scruggs, after the effective date hereof and on or before December 31, 1950, may issue an unsecured note in the principal amount of \$30,000, in substantially the same form as the note filed in this proceeding, for the purposes set forth in this application.
2. Applicants shall file with the Commission a report, or reports, as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.
3. The authority herein granted will become effective when applicants have paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is \$30.00.

Dated at San Francisco California, this 22nd
day of August 1950.

R. E. [Signature]
Justin F. [Signature]
Wm. H. [Signature]
Harold P. [Signature]
[Signature]
Commissioners

PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
PAID
30.00
AUG 25 1950
R. 14252
By M. Hogue