

ORIGINAL

Decision No. 50405

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Pinole Light and Power Company, for authorization to borrow money under Section 617 of the Public Utilities Code.

Application
No. 35679

OPINION AND ORDER

Pinole Light and Power Company has filed this application for authorization to issue an unsecured note in the principal amount of \$16,000. The note will be issued to Wells Fargo Bank and Union Trust Company, will be payable in semi-annual installments of \$3,000, and will bear interest at the rate of 5% per annum.

Applicant is engaged in the business of purchasing and distributing electric energy in and about the communities of Pinole and Rodeo in Contra Costa County. The application shows that two new subdivisions are being developed within its service area which will have 117 homes, that applicant will be called upon to spend \$16,000 for pole line extensions, including conductors, transformers, and meters, to take care of applications for electric service, and that applicant desires to use the proceeds to be obtained through the issue of the note for this purpose.

A review of applicant's financial statements on file with the Commission, shows that its operating revenues amounted to \$124,979 in 1953 and to \$57,585 during the first five months of 1954, with net income of \$13,656 during the calendar year and \$4,097 during the five months period of the present year. Its most recent financial statement shows its net investment in fixed capital at \$159,994, as of May 31, 1954, and its investment in current assets at \$8,527. It has no long term debt outstanding and it has accounts payable of only \$1,946, having financed substantially all of its investments with equity funds.

From a review of this matter we are of the opinion that a public hearing is not necessary, that the application should be granted, as herein provided, that the money, property or labor to be procured or paid for by the issue of the note herein authorized is reasonably required by applicant for the purpose specified herein and that the proposed expenditures are not, in whole or in part, reasonably chargeable to operating expenses, or to income; therefore,

IT IS HEREBY ORDERED as follows:

1. Pinole Light and Power Company may issue an unsecured note on or before December 31, 1954 in the principal amount of not exceeding \$16,000 for the purposes set forth in this application.

2. Within thirty days after the issue of the note under the authorization herein granted, applicant shall file a copy of the same with the Commission.

3. The authority herein granted will become effective when applicant has paid the minimum fee prescribed by Section 1904 (b) of the Public Utilities Code, which fee is \$25.00.

Dated at San Francisco, California, this 17th day of August, 1954.

John E. Mitchell
President

Justus J. Calmes

Kenneth Patten

Gene Roggier

Commissioners

