

ORIGINAL

Decision No. 51650

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
LONE PINE WATER COMPANY for authority :
to issue and deliver its promissory)
notes representing bank loans not :
exceeding an aggregate principal)
amount of \$3,000.00.)
-----)

Application
No. 37019

OPINION AND ORDER

Lone Pine Water Company has filed this application for authorization to issue a note in the principal amount of \$3,000.

Applicant is engaged in the business of supplying and distributing water in and about the town of Lone Pine, Inyo County. It reports that the proposed financing is necessary to meet the cost, estimated at \$3,000, of replacing a 400-foot section of a 12-inch steel transmission line which has developed leaks and is in danger of complete failure. It appears that applicant does not have sufficient cash on hand and that it has made arrangements to borrow the required amount through the issue to Bank of America National Trust and Savings Association of a promissory note, payable over a period of three years with interest at the rate of 4% per annum.

A review of applicant's latest financial statement shows that during the calendar year 1954 its operating revenues aggregated \$16,184 and its net profit \$2,480. Its statement shows its net investment in fixed capital at the end of the year at \$43,219 and long-term debt outstanding in the amount of only \$4,285. It appears that applicant has financed itself primarily with equity capital.

From a review of the application and of the financial statements it appears that applicant's earnings are ample to warrant an order approving the proposed issue, that a public hearing in the

matter is not necessary, 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 such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income, therefore,

IT IS HEREBY ORDERED as follows:

1. Lone Pine Water Company may issue a promissory note on or before September 30, 1955, in the principal amount of \$3,000 for the purpose indicated herein.

2. Lone Pine Water Company 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 applicant has paid the minimum fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$25.

Dated at San Francisco, California, this 5th day of July, 1955.

Justin J. Quinn
President
Robert L. Winter
William J. Fisher
R. H. Hardy
Commissioners

