

Decision No. 51699

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 THUNDERBIRD WATER COMPANY)
 for authorization to issue evidence)
 of indebtedness, namely promissory)
 note, and to apply the proceeds for)
 purposes of construction, extension)
 and improvement of its facilities.)
 -----)

Application
No. 37087

OPINION AND ORDER

This is an application for an order authorizing Thunderbird Water Company, a corporation, to issue a promissory note in the principal amount of \$50,000 for the purpose of financing the cost of additions and improvements.

Applicant is a California corporation engaged in operating a public utility water system in a portion of the County of Riverside. It was organized on August 16, 1946, by Thunderbird Ranch, a corporation, and has financed itself, in general, through the issue to that corporation of \$50,000 par value of common stock and a \$25,000 unsecured promissory note. As of May 1, 1955, it reports its net investment in its fixed assets at \$79,122.

The application shows that due to increasing demands for service applicant is required to replace its present 64,000-gallon reservoir with a new steel reservoir of 500,000-gallon

capacity and to replace its existing six-inch main with a new ten-inch main and to extend its lines. It reports the estimated cost of the additions and improvements at not to exceed \$50,000.

It appears that applicant does not have sufficient cash on hand to meet its requirements and that Thunderbird Ranch has offered to loan it up to \$50,000 and to accept an unsecured promissory note bearing interest at the rate of 5% per annum and payable in installments of \$2,500, or more, commencing December 31, 1964, with interest payable annually, commencing December 31, 1955.

The Commission has considered this matter and is 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 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. Thunderbird Water Company, a corporation, may issue a promissory note on or before September 30, 1955, in the principal amount of not exceeding \$50,000 for the purposes set forth in this application, said note to be in, or substantially in, the same form as that filed in this proceeding as Exhibit A.

2. Thunderbird Water Company shall file with the Commission monthly 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 fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$50.

Dated at Los Angeles, California, this 18th day of July, 1955.

James J. Cullen
 President

Paul L. Kramer

Marion J. Doolan

B. Hardy

Commissioners

