

ORIGINALDecision No. 53705

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 ADA H. MARCH, sole owner, doing)
 BUSINESS AS IVANHOE WATER CO., for) Application No. 38327
 authorization to borrow money.)

OPINION AND ORDER

Ada H. March, applicant herein, is the owner of the Ivanhoe Water Co., a public utility water system serving a portion of Tulare County, approximately seven miles northeast of the City of Visalia. In this application, she seeks authorization to issue an unsecured promissory note in the principal amount of \$6,000 for the purpose of refunding and consolidating outstanding indebtedness and providing the cost of improvements.

The proposed note will be issued to the Pacific National Bank of San Francisco, will be dated September 15, 1956, and will be payable on demand and, if no demand is made, three years after date of issue, with interest at the rate of $3\frac{1}{2}\%$ per annum. Applicant intends to apply the proceeds, specifically, for the following purposes:

To pay indebtedness -	
Bank of America	\$4,624.69
W. M. Lyles Co. (construction)	643.78
McKinney and Ballantyne (legal)	200.00
Leo B. Welch (accounting)	200.00
Bank of America, interest	11.00
Payroll taxes	12.75
To pay for additional improvements	<u>307.78</u>
Total	<u><u>\$6,000.00</u></u>

As of July 31, 1956, according to Exhibit "D", applicant reported her investment in fixed capital and in current assets at \$57,488, and her sources of funds, as follows:

Reserve for depreciation	\$19,507
Liabilities	5,850
Proprietary capital	<u>32,131</u>
Total	<u>\$57,488</u>

Applicant has reported her revenues from operations at \$14,655 during 1955 and \$9,571 during the first seven months of 1956, with net profits of \$1,050 in 1955 and \$1,630 in the 1956 period, after deducting operating expenses, depreciation, and interest on indebtedness.

From a review of the application, it appears that applicant will have need for the additional borrowing and that her assets and earnings should be ample to service the note presently under contemplation. In our opinion, a public hearing is not necessary in this proceeding, 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 such purposes, except as otherwise authorized, are not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

1. Ada H. March may issue a promissory note, on or before December 31, 1956, in the principal amount of \$6,000 for the purposes set forth in this application. The note shall be in, or substantially in, the same form as note filed in this proceeding as Exhibit "A".

2. Ada H. March shall file with the Commission a monthly 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 Ada H. March 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 4th day of September, 1956.

[Signature]
President

[Signature]

[Signature]

[Signature]

[Signature]
Commissioners

