

ORIGINAL

Decision No. 54312

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. 38651

OPINION AND ORDER

Pinole Light and Power Company has filed this application for authorization to issue a note in the principal amount of \$15,000. The note will be unsecured, will be issued to Wells Fargo Bank and will be payable in semi-annual installments of \$3,000 with interest at the rate of 4.5% per annum.

Applicant will use the proceeds from the loan for capital additions to its plant. It reports that it is undertaking a construction program calling for the expenditure of \$16,500 for 3 - 250 kva transformers, pole line extensions, services and meters and street lighting equipment. The company asserts that the expenditures are required for the purposes, among others, of increasing its substation capacity and of making the necessary additions to serve 50 new homes.

According to applicant's financial statement, its recorded investment in its plant, as of October 31, 1956, aggregated \$207,365, after deducting the accumulated reserve for depreciation, and its outstanding indebtedness was only \$4,000, aside from current liabilities. Its current position

as of that date was represented by cash and other current assets of \$7,612 and current liabilities of \$2,027. For the first ten months of 1956, applicant reported operating revenues of \$137,583 and net income of \$23,021, after payment of operating expenses and provision for depreciation and taxes. It appears that the earned surplus has been invested in the company's properties.

A review of the application indicates that the company does not have enough cash on hand to meet its capital costs and that its assets and earnings are sufficient to warrant an ex parte order by the Commission approving the proposed borrowing; therefore,

IT IS HEREBY ORDERED as follows:

1. Pinole Light and Power Company, on and after the effective date hereof, and on or before June 30, 1957, may issue an unsecured note in the principal amount of not exceeding \$15,000 for the purposes set forth in this application, it being the opinion of the Commission 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.

2. The approval herein given is not to be taken as indicative of amounts to be included in a future rate base for the purpose of determining just and reasonable rates.

3. Pinole Light and Power 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.

4. The authority herein granted will become effective when Pinole Light and Power Company 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 27th day of December, 1956 U.C.

[Signature]
President
[Signature]
[Signature]
[Signature]

Commissioners

