

ORIGINAL

Decision No. 56305

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application)
of GEORGE and GLADYS BUMGARDNER,)
husband and wife, dba GEORGE)
BUMGARDNER WATER COMPANY, for (1))
authority to increase rates for)
water service rendered within a)
portion of and in the vicinity of)
the City of Modesto, Stanislaus)
County; (2) grant a certificate)
of public convenience and necessity)
to serve certain territory, and)
(3) authority to issue a note)
for \$25,000.)

Application No. 39604

INTERIM OPINION AND ORDER

George and Gladys Bumgardner, doing business as George Bumgardner Water Company, applicants herein, have filed this application for a certificate of public convenience and necessity and for authorization to increase rates and to increase their bank borrowings by the sum of \$25,000.

At this time the Commission will give consideration to applicants' request to borrow money. The other matters will be reviewed in a subsequent decision, or decisions, following the completion of hearings to be held at a later date.

George and Gladys Bumgardner are engaged in operating a public utility water system near Modesto, California. They report that they find it necessary to provide an additional supply of water to meet the increasing demands for service and also to connect all dead ends in the distribution systems in order that improved and adequate water service may be available. They estimate the cost of the additions and improvements at approximately \$25,000 and they

assert that they do not have sufficient funds on hand and that they have made arrangements to borrow from the Bank of California sums of money to finance in part the cost of these installations and also to refinance an existing indebtedness of \$14,346.28, which is the unpaid balance of a note heretofore approved by the Commission by Decision No. 43735, dated January 24, 1950, and unsecured indebtedness of \$2,000.

The proposed borrowing will be represented by a note for \$40,000 payable in equal successive monthly installments of \$450 with interest on the unpaid principal at the rate of 6 per cent per annum. The payment of the note will be secured by a mortgage of chattels and by a deed of trust.

The Commission is of the opinion that an ex parte order should be entered at this time authorizing applicants to issue the note and to execute the indentures, that the money, property or labor to be procured or paid for by such note is reasonably required 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. George and Gladys Bumgardner may execute a mortgage of chattels and a deed of trust in, or substantially in, the same forms as those filed in this proceeding as Exhibit M and Exhibit N, respectively, and may issue a promissory note in the principal amount of not exceeding \$40,000, payable as set forth herein, for the purposes outlined in this application.

2. George and Gladys Bumgardner, doing business as George Bumgardner 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 authorization herein granted is for the issue of a note and is not indicative of amounts to be included in a future rate base for the determination of just and reasonable rates.

4. The authority herein granted will become effective when applicants have paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$26.

Dated at Los Angeles, California, this 3rd day of MARCH 1, 1958.

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

Commissioners

