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Decision No. _____

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of AVALON PUBLIC SERVICE COMPANY,
a California corporation, for
Authority to execute and deliver
a Promissory Note

Application No. 41143

OPINION AND ORDER

Avalon Public Service Company, a corporation, has filed this application for authorization to issue a promissory note in the principal amount of \$125,000 for the purpose of refunding outstanding indebtedness.

Applicant owns and operates electric, gas and water utility plants on Santa Catalina Island.^{1/} In financing its capital costs it issued, to Santa Catalina Island Company, two unsecured 4-1/2% notes in the aggregate amount of \$125,000, which notes ran for periods of less than twelve months and now are past due. It appears that the holder of the notes is willing to extend the time for payment and to accept a new note for \$125,000 which will be unsecured and will be payable on demand on or after March 1, 1960, with interest at the rate of 4-1/2% per annum. A copy of the proposed note is attached to the application as Exhibit B.

^{1/} In Exhibit A, applicant reports its net investment in utility plant at \$288,637 as of December 31, 1958, and its operating revenues for the year at \$351,932, with net income of \$26,670.

The approval indicated herein is for the issuance of the note and is not to be construed as indicative of amounts to be included in a future rate base for the purpose of determining just and reasonable rates.

The Commission has considered this matter and is of the opinion that a public hearing is not necessary; that the money, property or labor to be procured or paid for by the issue of said note is reasonably required 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. Avalon Public Service Company, on and after the effective date hereof and on or before December 31, 1959, may issue a promissory note in the principal amount of \$125,000 in exchange for outstanding notes of like amount.

2. Avalon Public Service 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 Avalon Public Service Company has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$125.

Dated at San Francisco, California,
this 9th day of June, 1959.

E. L. Fox President
W. H. [unclear]
W. H. [unclear]
Theodore J. [unclear]
Commissioners

