

ORIGINAL

Decision No. 59190

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of SONOMA WATER & IRRIGATION
COMPANY for authorization to
issue its Promissory Note.

}
Application No. 41546

OPINION AND ORDER

This is an application for an order authorizing Sonoma Water & Irrigation Company to issue a note in the principal amount of \$75,000.

Under authorization granted by Decision No. 58970, dated September 2, 1959, applicant has acquired the water system of Susie M. Donaghy located in the Glen Ellen area of Sonoma Valley. Applicant reports that the facilities thus acquired by it are in a poor state of repair, that it desires to extend and improve them, and that it estimates expenditures of \$26,444.37 are required for this purpose.

In carrying out this program, applicant has made, or is making arrangements to borrow \$75,000 from H. Drake Corporation and to use \$48,555.63 to pay and discharge its existing mortgage indebtedness and to use the remaining \$26,444.37 of new money to meet its proposed expenditures. The borrowing will be represented by an unsecured note, payable in monthly installments of \$833.25 up to and including July, 1961, with final payment of the remainder of the note on August 31, 1961, the payments to include interest at the rate of six per cent per annum.

From a review of applicant's financial statements, it appears that its earnings and assets should be ample to enable it to meet the requirements under the proposed borrowing without interfering with the service to present customers. A public hearing is not necessary, therefore,

Good cause appearing,

IT IS HEREBY ORDERED as follows:

1. Sonoma Water & Irrigation Company, on or after the effective date hereof and on or before February 29, 1960, may issue its promissory note in the principal amount of not to exceed \$75,000, in, or substantially in, the same form as the note filed in this proceeding as Exhibit C, for the purpose of refinancing indebtedness and of providing the costs of additions and improvements as set forth in this application, it being the opinion of the Commission that the money, property or labor to be procured or paid for through the issue of said note is reasonably required for the purposes specified herein, and that such purposes, except as otherwise authorized, are not, in whole or in part, reasonably chargeable to operating expenses or to income.

2. The authorization herein granted is for the issue of a 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.

3. Sonoma Water & Irrigation 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 Sonoma Water & Irrigation Company has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$27.

Dated at San Francisco, California,
this 27th day of October, 1959.

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

