

ORIGINAL

Decision No. 60344

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 authority to issue a note in the amount of \$44,000.

Application No. 42365

O P I N I O N

This application was filed on June 16, 1960, for an order authorizing George Bumgardner and Gladys Bumgardner, doing business as George Bumgardner Water Company, to issue a \$44,000 note.

The verified application shows that George Bumgardner and Gladys Bumgardner, husband and wife, are engaged in operating a public utility water system in and about Modesto; that presently they have an outstanding note in the amount of \$34,000 which was authorized by the Commission in 1958; and that they now desire to refinance said note and to increase their borrowing to \$44,000 to obtain funds to finance, in part, the estimated cost of eliminating four dead end lines and of improving the water circulation for fire protection purposes.

The new note will be issued to The Bank of California, National Association, will be payable in equal successive monthly installments of \$450 with interest at the rate of six per cent per annum, and will be secured by a deed of trust and mortgage of chattels presently outstanding.

In presenting this matter to the Commission, applicants report that the proposed improvements will cost \$12,200 and that they do not have sufficient funds on hand to meet the expenditures. They have filed their financial statements, however, which clearly indicate that their assets and earnings should be ample to support the proposed borrowing and to enable them to meet their obligations as to payment of principal and interest on the new note.

Upon considering this matter, we find and conclude that the proposed note issue is for a proper purpose; that the money, property or labor to be procured or paid for by the issue of said 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. We will enter our order granting the application.

The authorization herein given is for the issue of a note only and is not to be construed as indicative of amounts to be included in a future rate base for the determination of just and reasonable rates.

O R D E R

The Commission having considered the above-entitled matter and being of the opinion that a public hearing is not necessary,

IT IS HEREBY ORDERED as follows:

1. George Bumgardner and Gladys Bumgardner, doing business as George Bumgardner Water Company, on or after the effective date hereof and on or before December 31, 1960, may issue a note in the principal amount of not to exceed \$44,000 in the terms and for the purposes set forth in this application.

2. Applicants 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 George Bumgardner and Gladys Bumgardner, doing business as George Bumgardner Water Company, have paid the minimum fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$25.

Dated at San Francisco, California,
this 5th day of July, 1960.

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

