

ORIGINAL

Decision No. 60524

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of GEO. D. POLLOCK,
doing business as EAST MONTEREY
WATER SERVICE, for authority to
revise existing indebtedness and
to incur additional indebtedness
to CROCKER-ANGLO NATIONAL BANK
to be payable at periods more than
twelve months after the date thereof
and to secure the payment thereof.

Application No. 42475

O P I N I O N

This application was filed on July 18, 1960, for an order authorizing Geo. D. Pollock, doing business as East Monterey Water Service, to execute a deed of trust and a mortgage of chattels, and to issue four notes in the aggregate principal amount of not to exceed \$70,549.91.

The verified application shows that Geo. D. Pollock is engaged in operating a public utility water system in a portion of the City of Seaside; that, as of June 1, 1960, he owed \$47,054.40 on a loan with Crocker-Anglo National Bank incurred under authority previously granted by this Commission, payable in monthly installments of \$750 each; and that, as of July 1, 1960, he is indebted to said bank in the further sum of \$4,643.44 on four conditional sale contracts executed for the purchase of materials and equipment.

Applicant proposes to refinance said \$47,054.40 indebtedness, or such lesser amount as may be owing, by issuing a new note in favor of Crocker-Anglo National Bank, which will be payable in

reduced installments of \$400 per month through May 1, 1963, and thereafter at the rate of \$750 per month until February 1, 1965. In addition, applicant proposes to refinance said \$4,643.44 of conditional sale contracts by issuing a note in favor of said bank, payable in installments of varying amounts through December 15, 1961, ranging from \$268.12 through \$385.00 with one in the amount of \$645.78. In order to obtain funds to pay taxes, applicant proposes to borrow \$8,500 to be evidenced by a note in favor of said bank, payable in monthly installments of \$300 each from November 1, 1960 through December 1, 1961. Also, in order to pay an indebtedness of \$10,352.07 incurred for the purchase of materials and equipment, applicant proposes to borrow such amount from said bank and to issue a note payable in nine quarterly installments of \$1,035.20 and a final installment of \$1,035.27. Each of the four notes will bear interest at the rate of 7 per cent per annum, and payment of the notes is to be secured by a mortgage of chattels. Payment of the loans in amounts of not to exceed \$47,054.40 and \$8,500 will be secured by a deed of trust in addition to said mortgage of chattels.

Upon reviewing this application, together with applicant's annual reports, we find and conclude that applicant has need for additional funds to refinance his outstanding indebtedness and to improve his current position; that the proposed note issues are for proper purposes; that the money, property or labor to be procured or paid for by the issue of such notes is reasonably required for the purposes specified herein and that such purposes, except for the payment of taxes, are not, in whole or in part, reasonably chargeable to operating expenses or to income. Upon the basis of these findings, we will enter an order granting the application.

The authorization herein granted is not to be construed as a finding of value of applicant's properties or as indicative of amounts to be included in a future rate base for the purpose of determining just and reasonable rates.

O R D E R

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

IT IS HEREBY ORDERED as follows:

1. Geo. D. Pollock, on or after the effective date hereof and on or before December 31, 1960, may issue four promissory notes in the aggregate principal amount of not to exceed \$70,549.91 for the purposes set forth in this application and may execute a deed of trust and a mortgage of chattels, which notes, deed of trust and mortgage of chattels shall be in, or substantially in, the same form as those filed in this proceeding.

2. Geo. D. Pollock 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. This order shall become effective when Geo. D. Pollack 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 9th day of August, 1960.

[Signature]
 President

[Signature]

[Signature]

[Signature]
 Commissioners

PUBLIC UTILITIES COMMISSION
 STATE OF CALIFORNIA

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BY [Signature]