

ORIGINAL

Decision No. 68233

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
Paul Thompson DBA Glen Ellen Water
Works for authority to issue and
deliver its promissory notes
representing loans not exceeding
\$12,000.00

Application No. 42718

OPINION AND ORDER

This is an application filed by Paul Thompson on September 30, 1960, for an order authorizing him to issue his promissory note, or notes, in the aggregate principal amount of not to exceed \$12,000. The note, or notes, will be issued to Small Business Administration and will be payable over a period of five years, with interest at the rate of 5-1/2 per cent per annum.

Paul Thompson, doing business as Glen Ellen Water Works, is engaged in supplying and distributing water in and about the town of Glen Ellen. He reports that during the first six months of 1960, his operating revenues amounted to \$4,216 and his net profit amounted to \$2,743; that as of June 30, 1960, his net investment in utility plant was \$23,784; and that he has financed his investment, except for long-term debt of \$2,145, with proprietary funds. The application shows that the proceeds from the proposed promissory note, or notes, will be used to retire presently outstanding long-term debt and to provide, in part, the cost of improvements listed as follows:

New well	\$ 5,450
Pump	2,500
Pump house	300
Pressure tank	300
Well test	350
Electric service	100
Pipeline, valves from new well	<u>1,000</u>
Total	<u>\$10,000</u>

The Commission has considered this matter and finds and concludes that a public hearing is not necessary, that the money, property or labor to be procured or paid for by the issue of the note, or notes, herein authorized 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 -

1. That Paul Thompson, doing business as Glen Ellen Water Works, may issue his promissory note, or notes, to Small Business Administration in the aggregate principal amount of not to exceed \$12,000, under such terms and conditions as may be prescribed by the Small Business Administration, and may execute a deed of trust and a mortgage of chattels to secure the payment of said note, or notes.

2. That Paul Thompson shall use the proceeds to be obtained from the issue of said note, or notes, to retire outstanding loans and to finance the cost of improvements referred to in this application.

3. That the authority herein granted is for the issue of notes 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.

4. That Paul Thompson 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.

5. That the authority herein granted will become effective when Paul Thompson 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
25th day of OCTOBER, 1960.

Ernest W. Bege
President
W. H. H. H. H.
W. H. H. H. H.

Commissioners

