

ORIGINAL

Decision No. 62917

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application)
of Donner Lake Utility Company)
for authorization to execute)
evidence of indebtedness)

Application No. 43778
and Amendment

OPINION AND ORDER

Donner Lake Utility Company, by its application filed September 21, 1961, and an amendment thereto filed November 17, 1961, has requested authorization to issue a note in the principal amount of \$120,849.79.

Donner Lake Utility Company is a California corporation. Under authorization granted by the Commission, it undertook operations as a public utility water corporation in the vicinity of Donner Lake, in portions of Nevada County and Placer County, and issued 161,242.18 shares of its \$1 par value common stock to Donner Lake Development Co. in exchange for certain water works facilities. In addition, it borrowed \$120,849.79 from Donner Lake Development Co., on an open account.

The corporation now desires to convert this open account indebtedness into an unsecured 15-year, 5 per cent note in the principal amount of \$120,849.79.

A review of the company's records by the Commission's staff shows that the borrowings from the parent corporation have been utilized for working capital, to meet operating expenses and

to finance the cost of replacements and back-up facilities; that the utility has financed line extensions under its main extension rule; and that it has no outstanding indebtedness other than such advances and the open account liability it now desires to refund. We find and conclude that the application should be granted and that the money, property or labor to be procured or paid for by the issue of the note herein authorized is reasonably required by applicant for the purpose specified herein.

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.

A public hearing is not necessary, therefore,

IT IS ORDERED that -

1. Donner Lake Utility Company may issue a 15-year, 5 per cent unsecured promissory note to Donner Lake Development Co. in the principal amount of not to exceed \$120,849.79 for the purpose of refunding outstanding indebtedness of like amount.

2. Donner Lake Utility 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 shall become effective when Donner Lake Utility Company has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$121.

Dated at San Francisco, California,
this 12th day of DECEMBER, 1961.

[Signature]
President

[Signature]

George T. Grover

Frederic B. Holoboff

Commissioners

Commissioner C. Lyn Fox, being necessarily absent, did not participate in the disposition of this proceeding.

