

ORIGINAL

Decision No. 68371

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of HURON UTILITY)
COMPANY, a corporation, for)
authority to borrow money)
and to issue a \$17,500 note.)
_____)

Application No. 47162
Filed December 3, 1964

O P I N I O N

In this application, Huron Utility Company requests an order of the Commission authorizing it to execute a mortgage of chattels and to issue a \$17,500 promissory note.

Applicant is a California corporation engaged in business as a public utility providing water service in a portion of the City of Huron, Fresno County. Its 1963 annual report to the Commission shows gross operating revenues of \$8,990, a net operating loss of \$4,782 and 128 active service connections, excluding fire hydrants.

By Decision No. 67218, dated May 19, 1964, in Application No. 45599, applicant was authorized to increase its rates for water service and simultaneously it was ordered, among other things, to make certain installations of mains. The company reports that it has arranged to borrow \$17,500 from Wells Fargo Bank for the purpose of financing the cost of such installations and, in this proceeding, it requests authority to issue a 6% promissory note as evidence of said borrowing. Principal and interest on the proposed note will be repayable

in monthly installments of \$330 each and repayment of the indebtedness will be secured by a mortgage of chattels.

The Commission has considered this matter and finds that: (1) the proposed note issue is for a proper purpose; (2) the money, property or labor to be procured or paid for by the issue of the note herein authorized is reasonably required for the purpose specified herein; and (3) such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income. On the basis of these findings we conclude that the application should be granted. A public hearing is not necessary.

The authorization herein given is for the purpose of this proceeding only and is not to be construed as indicative of amounts to be included in proceedings for the determination of just and reasonable rates.

O R D E R

IT IS ORDERED that:

1. Huron Utility Company, on or after the effective date hereof and on or before March 31, 1965, may issue its promissory note in the principal amount of not to exceed \$17,500 for the purpose specified in this proceeding, and may execute a mortgage of chattels, which documents shall be in the same form, or in substantially the same form, as those attached to the application.

2. Huron Utility Company shall file with the Commission a report, or reports, as required by General Order No. 24-B, which order, insofar as applicable, is hereby made a part of this order.

3. This order shall become effective when Huron Utility Company 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 22nd day of December, 1964.

Fredrick B. Hilleff
President

Wesley H. Hilleff

Wesley H. Hilleff

George J. Grover

William A. Bennett
Commissioners

