

ORIGINAL

Decision No. 72064

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Laton Water)	
Company, for authority to)	Application No. 49137
borrow money and to issue a)	Filed February 9, 1967
\$7,000.00 note.)	
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O P I N I O N

This is an application for an order of the Commission authorizing Laton Water Company to issue a promissory note in the principal amount of \$7,000.

Applicant, a California corporation, is engaged in the public utility water business in the unincorporated community of Laton, Fresno County. The utility's balance sheet as of December 31, 1966, attached to the application, discloses assets totaling \$24,835 offset by common stock equity of \$19,831 and other liabilities of \$5,004. The income statement for the year ended December 31, 1966, also attached to the application, shows a net loss of \$176.

By Decision No. 71487, dated November 1, 1966, in Application No. 48439, the Commission authorized applicant to increase its rates substantially. Said decision requires applicant to install a 20-hp motor and pump, and also approximately 2,950 feet of pipe.

In this proceeding applicant proposes to issue a promissory note in the principal amount of \$7,000 in favor of Bank of America National Trust and Savings Association. Said note will be repayable in 36 monthly installments of \$218, including interest at the rate of 7-1/2% per annum on the decreasing balance of the principal.

Applicant proposes to use the proceeds from the note issue for the purpose of financing required improvements to its water system.

The Commission has considered this matter and finds that: (1) the proposed note 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. A public hearing is not necessary.

On the basis of the foregoing findings we conclude that the application should be granted. The authorization herein granted 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. Laton Water Company, on or after the effective date hereof and on or before May 31, 1967, for the purpose specified in this proceeding, may issue a promissory note in the principal amount of not to exceed \$7,000. Said note shall be in the same form, or in substantially the same form, as that attached to the application.

2. Laton Water 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 Laton Water 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 28th day of FEBRUARY, 1967.

Commissioner Peter E. Mitchell, being necessarily absent, did not participate in the disposition of this proceeding.

Commissioner A. W. Gatov, being necessarily absent, did not participate in the disposition of this proceeding.

President
William W. Bennett

William Lyman
Red P. Murray
Commissioners

