

**ORIGINAL**

Decision No. 72515

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of )  
JACKSON WATER WORKS, INC., )  
a California corporation, for )  
authority to issue unsecured )  
promissory notes. )  
\_\_\_\_\_ )

Application No. 49333  
Filed May 1, 1967

O P I N I O N

Jackson Water Works, Inc. is a California corporation providing public utility water service in and about the City of Jackson, Amador County. In this proceeding applicant requests authorization from the Commission to issue promissory notes in an aggregate principal amount of \$70,000.

By Decision No. 72199, dated March 28, 1967, as modified, in Application No. 48732, the company was granted authority to increase its rates. The continuance of metered rates at levels authorized in said Decision No. 72199 is predicated upon applicant's expending a sum of \$70,000 for certain plant improvements on or before May 1, 1968.

The application shows that the company has made arrangements to borrow \$70,000 from Richard Kearns for the purpose of financing the estimated cost of plant additions and betterments as follows:

Construction and improvement of reservoirs	\$30,000
Interconnecting valves and piping	10,000
Fencing reservoir site	3,000
Chlorine and coagulation equipment	9,000
Replacement of inadequate mains	<u>18,000</u>
Total	<u>\$70,000</u>

Applicant seeks authority to issue three promissory notes in the aggregate principal sum of \$70,000 as evidences of periodic borrowings to be made through January, 1968. Said notes will be repayable over ten years in aggregate monthly installments of \$849.30, including interest at the rate of 8% per annum. It appears that presently authorized rates will provide applicant with sufficient funds for repayment of the proposed indebtedness.

The company reports that it has been unsuccessful in efforts to borrow from other sources on more favorable terms.

The Commission has considered this matter and finds that: (1) the proposed notes are for a proper purpose; (2) the money, property or labor to be procured or paid for by the issue of the notes 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. Jackson Water Works, Inc., on or after the effective date hereof and on or before April 30, 1968, for the purpose specified in this proceeding, may issue promissory notes in an aggregate principal amount of not exceeding \$70,000. Said notes shall be in the same form, or in substantially the same form, as that attached to the application.

2. Jackson Water Works, Inc. 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 Jackson Water Works, Inc. has paid the fee prescribed by Section 1904 (b) of the Public Utilities Code, which fee is \$70.

Dated at San Francisco, California,  
this 31<sup>st</sup> day of MAY, 1967.

[Signature]  
President  
[Signature]  
[Signature]  
[Signature]  
[Signature]  
Commissioners

