Decision No. 79308

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of PATTERSON CITY WATER COMPANY, a California Corporation, under Section 816-830 of the Public Utilities Code, for Authority to Issue Evidence of Indebtedness.

Application No. 52936 Filed October 19, 1971

## OPINION

Patterson City Water Company seeks an order of the Commission authorizing it to issue an unsecured note in the principal amount of \$41,350. The proceeds would be expended substantially as follows:

Drilling well 350' deep including 26" casing and drilling test	
hole and testing pump	\$10,000
75 horsepower pump and components	3,200
Electric motor and gas engine for	•
emergency	8,650
Pressure tank, sand separator, valves, and other plumbing	· .
including chain-link fence	11,500
1,000' of 8" connecting pipe line	4,000
Labor and tax	4,000
Total	<u>\$41,350</u>

Applicant is a California corporation furnishing water service in Patterson and vicinity in Stanislaus County. At August 31, 1971, it reports total assets of \$192,241, offset by liabilities and common stock equity in respective amounts of \$58,660 and \$133,581.

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The proposed note would be issued in favor of Wells Fargo Bank, N.A., and would be repayable in five annual installments of \$3,270, with interest payable quarterly at a rate per annum equal to 1/2% above the prime rate charged from time to time by said bank.

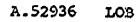
After consideration the Commission finds that: (1) the proposed note issue is for proper purposes; (2) the money, property or labor to be procured or paid for by by the issue of the note herein authorized is reasonably required for the purposes specified herein; and (3) such purposes are not, in whole 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 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.

## ORDER

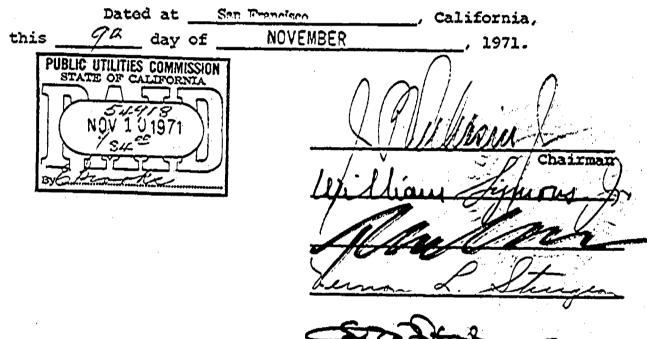
## IT IS ORDERED that:

1. Patterson City Water Company, on or after the effective date hereof and on or before January 31, 1972, for the purposes specified in the application, may issue a note in the principal amount of not exceeding \$41,350, which note shall be in substantially the same form as Exhibit B attached to the application.



2. Patterson City 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 Patterson City Water Company has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$84.



Commissioners