

ORIGINAL

Decision No. 47098

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 LAKEWOOD WATER & POWER COMPANY, a)
 corporation, for an order authorizing)
 applicant)
 (1) to execute a supplemental indenture)
 supplementing that certain trust indent-)
 ure dated as of January 1, 1951,)
 (2) to issue First Mortgage Bonds, 3-7/8%)
 Series due 1977, in the principal amount)
 of \$700,000.00 and)
 (3) to sell such bonds under a Bond)
 Purchase Agreement dated April 21, 1952,)
 for a consideration as set out therein,)
 and to use the proceeds for the purposes)
 and in the manner specified in this)
 application.)
 -----)

Application
No. 33337

O P I N I O N

Lakewood Water & Power Company, in this application, seeks authorization to execute a supplemental indenture creating a new series of bonds, to be known as First Mortgage Bonds, 3-7/8% Series due 1977, and to issue \$700,000 in principal amount of such bonds. It proposes to sell said bonds to New York Life Insurance Company at a price of 100% of their principal amount plus accrued interest from May 1, 1952, to the date of delivery, and to use the net proceeds to reimburse its treasury and to finance construction costs.

At the close of 1951, applicant had 19,261 active service connections, according to its annual report. It now states that its present plans call for extensions of its facilities and the serving of more than 25,000 consumers. In Exhibit F attached to the application it reports estimated costs for Tracts 17590, 17830, 17893, 17695, 17700, 17701 and 17702 in the aggregate amount of \$773,174.68, a summary of the same being as follows:

| | |
|---|---------------------|
| Landed capital | \$ 30,000.00 |
| Buildings, structures and grounds | 12,100.00 |
| Wells | 33,000.00 |
| Pumping equipment | 42,900.00 |
| Purification equipment | 2,475.00 |
| Distribution mains | 425,898.33 |
| Distribution reservoirs, tanks and standpipes | 36,300.00 |
| Hydrants, fire cisterns, fountains | 12,672.00 |
| Services | 73,076.85 |
| Meters and measuring devices | 98,752.50 |
| General equipment | <u>6,000.00</u> |
| Total | <u>\$773,174.68</u> |

For a number of years applicant has been engaged in an extensive construction program. Its annual reports filed with the Commission for the past five years show that its investment in plant has increased during this period from \$541,210.85 to \$3,021,880.90, including construction work in progress at the close of 1951, and that its revenues during the same period have increased from \$136,230.62 in 1947 to \$546,956.22 in 1951 and its active service connections from 5,130 to 19,261. From time to time applicant has requested and has received authorization to issue securities to finance the capital requirements caused by its extension program. At February 29, 1952, it reports its capital structure as follows:

| | | |
|-----------------|--------------------|-------------|
| Funded debt | \$1,500,000 | 43% |
| Preferred stock | 750,000 | 22 |
| Equity capital | <u>1,203,336</u> | <u>35</u> |
| Total | <u>\$3,453,336</u> | <u>100%</u> |

A review of the application clearly indicates that applicant will have need for additional funds as it proceeds with its construction program and that an order authorizing the issue of bonds at this time is warranted.

O R D E R

The Commission having considered the above entitled matter, and being of the opinion that a public hearing thereon is not necessary; that the application should be granted, as herein provided;

that the money, property or labor to be procured or paid for by the issue of the bonds herein authorized is reasonably required by applicant for the purposes specified herein; and that such purposes, except as otherwise authorized, are not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

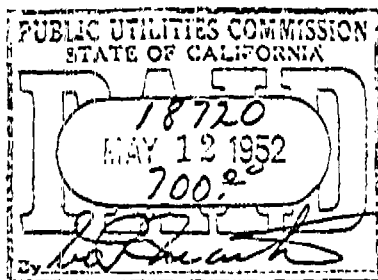
IT IS HEREBY ORDERED as follows:

1. Lakewood Water & Power Company, after the effective date hereof and on or before August 31, 1952, may execute a second supplemental indenture in substantially the same form as that filed in this proceeding, and may issue and sell not exceeding \$700,000 in principal amount of its First Mortgage Bonds, 3-7/8% Series due 1977, at not less than 100% of the principal amount plus accrued interest, for the purposes set forth in this application. The accrued interest may be used for said purposes and for general corporate purposes.

2. Applicant shall file with the Commission monthly 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 will become effective when applicant has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is seven hundred (\$700.00) dollars.

Dated at San Francisco, California, this 5th day of May, 1952.



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