

ORIGINAL

Decision No. 47911

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
	:	
SOUTHERN CALIFORNIA WATER COMPANY)	
	:	
for authority to issue and deliver)	Application
its promissory notes representing	:	No. 33362
bank loans not exceeding an aggregate)	(First Supplemental)
principal amount of \$1,500,000.	:	
-----)	

FIRST SUPPLEMENTAL OPINION

By Decision No. 47136, dated May 13, 1952, the Commission authorized Southern California Water Company to issue 3½% promissory notes in the aggregate amount of not exceeding \$1,500,000, maturing on December 31, 1954, for the purpose of paying indebtedness and of financing the cost of property acquisitions and construction expenditures under its capital budget for the year 1952, said notes to be issued under and pursuant to the terms of a loan agreement with Harris Trust and Savings Bank.

At present, applicant has \$800,000 of said notes outstanding. In its first supplemental application filed in this proceeding it reports that it is undertaking to issue and sell first mortgage bonds to pay such notes and that it proposes to enter into an agreement with Harris Trust and Savings Bank whereby its present loan agreement will be amended to provide, in effect, that if it sells said bonds prior to January 1, 1953, and promptly retires its outstanding notes, then the unused credit remaining available to applicant under the loan agreement will be increased from \$700,000 to \$1,000,000, the total credit thereby being

increased to \$1,800,000. Applicant has requested the Commission to enter a supplemental order authorizing it to issue additional notes under the loan agreement as thus amended.

Under the loan agreement applicant is authorized to borrow funds and issue notes throughout the calendar year 1953. Accordingly, applicant has requested a further order permitting it to use proceeds from the issue of the notes to enable it to meet, in part, its 1953 capital expenditures. In Exhibit B filed in this proceeding it reports its estimated capital expenditures for the years 1952 and 1953 as follows:

	<u>1952</u>	<u>1953</u>	<u>Total Years 1952 and 1953</u>
Water supply	\$ 306,887	\$ 170,000	\$ 476,887
Distribution system -			
Major	375,814	142,950	518,764
Street	111,169	158,100	269,269
Replacements	110,363	365,230	475,593
New business -			
Main extensions	125,788	74,400	200,188
Subdivisions	698,038	255,025	953,063
Meters and services	240,135	241,430	481,565
Electric	12,000	22,000	34,000
Ice	500	1,500	2,000
Automobiles, office equipment and miscellaneous	88,616	75,200	163,816
General office building	175,000	-	175,000
Acquisition of operating properties -			
Norwalk Water Company	56,000	-	56,000
Excelsior Water Co., Inc.	275,000	-	275,000
Southland Water Company	215,000	-	215,000
Olivita Heights Mutual Water Company	<u>21,277</u>	<u>-</u>	<u>21,277</u>
Total estimated	2,811,587	1,505,835	4,317,422
Advances in aid of construction	<u>573,406</u>	<u>193,850</u>	<u>767,256</u>
Net cost to company	<u>\$2,238,181</u>	<u>\$1,311,985</u>	<u>\$3,550,166</u>

The Commission has considered this supplemental application and is of the opinion that it is warranted in granting applicant's request and that applicant will have need for the

additional funds as it proceeds with its construction program.

FIRST SUPPLEMENTAL ORDER

The Commission having considered the above entitled matter, and being of the opinion that a public hearing is not necessary; that the first supplemental application should be granted, as herein provided; that the money, property or labor to be procured or paid for by the issue of the notes herein authorized is reasonably required by applicant for the purposes specified herein; and that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

1. The order in Decision No. 47136, dated May 13, 1952, is amended so as to increase to \$1,800,000 the aggregate principal amount of promissory notes which Southern California Water Company may issue under its loan agreement with Harris Trust and Savings Bank, amended as indicated herein.

2. Southern California Water Company may issue promissory notes in the amount of \$1,000,000, in addition to the \$800,000 presently outstanding, pursuant to the terms of said loan agreement, as amended, and may use the proceeds for the purposes set forth in said Decision No. 47136 and also for the payment, in part, of its construction expenditures during 1953 or for the reimbursement of its treasury for moneys expended from income for such purposes.

3. Southern California Water Company 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.

4. The authority herein granted will become effective when Southern California Water Company has paid the fee prescribed by Section 1904(b) of the Public Utilities Code.

Dated at San Francisco, California, this 18th day of November, 1952.

A. J. Duran
President

Harold K. Hull

Samuel H. Dutton
John B. Mitchell

Commissioners

