

ORIGINAL

Decision No. 54832

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of HIGHLANDERS WATER COMPANY, a
California corporation, for
authority to issue evidence
of indebtedness.

Application No. 38908

OPINION AND ORDER

Highlanders Water Company has filed this application for authorization to issue, for cash, its 5% unsecured promissory note, due ten years from date of issue, in the principal amount of \$75,000 in order to finance the cost of constructing additional facilities.

Applicant is engaged in the business of operating a public utility water company in Riverside County. It reports that because of freeway construction being conducted by the State Division of Highways, it has been required to arrange for new points at which it might take delivery of water from Riverside Water Company. The changes in points of delivery will require applicant to extend and enlarge its facilities. It estimates that such additional construction will cost approximately \$75,000 and will include the following:

<u>Facility</u>	<u>Estimated Cost</u>
Increase in main feeder line from 16 inches to 20 inches, using steel pipe, cement lined and outside wrapped - 10,000 lineal feet @ 1.89 in place	\$18,900
Palmyrita well lateral - 2,800 lineal feet of 16-inch welded steel pipe, mortar lined and outside wrapped	14,336
Railroad crossings - two (2)	2,000
Highgrove well lateral - 3,300 lineal feet of 14-inch welded steel pipe, mortar lined and outside wrapped	14,520
Railroad crossing	700
Receiver tank, booster pump and chlorinating equipment at Palmyrita well	13,500
Subtotal	<u>63,956</u>
Engineering and contingencies	<u>9,593</u>
Total	<u>\$73,549</u>

Applicant has arranged to procure the funds needed to finance this construction program from Sun Gold, Inc., the owner of all of applicant's issued and outstanding shares. It will issue to Sun Gold, Inc., in exchange for \$75,000 cash, its unsecured promissory note due ten years from date and bearing interest at the rate of five per cent per annum.

The Commission has considered this matter and is of the opinion that a public hearing is not necessary, that the application should be granted, that the money, property or labor to be procured or paid for by the issue of the \$75,000 note is reasonably required 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:

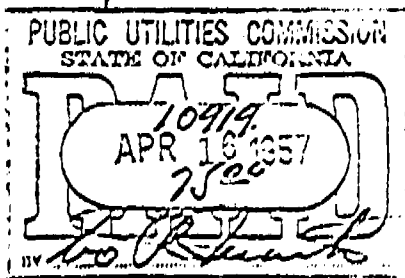
1. Highlanders Water Company, a corporation, on and after the effective date hereof and on or before September 30, 1957, may issue its 5% unsecured promissory note, due ten years from date of issue, in the principal amount of not exceeding \$75,000 and use the proceeds for the purposes set forth in this application.

2. Highlanders Water Company, a corporation, shall file with the Commission a monthly report, or reports, as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

3. The authorization herein granted is for the issue of a note and is not to be construed as indicative of amounts to be included in a future rate base for the determination of just and reasonable rates.

4. The authority herein granted will become effective when Highlanders Water Company has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$75.

Dated at San Francisco, California, this 16th day of April, 1957.



Handwritten signatures and names of the President and Commissioners, including names like 'W. L. ...', 'L. J. ...', 'R. ...', and 'E. ...'.