

ORIGINAL

Decision No. 56069

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application of))	
SATICOY WATER COMPANY,)	
a corporation,)	Application No. 39599
)	(and Amendment)
for authority to borrow up to)	
\$160,000.00 and issue notes, deed)	
of trust, and chattel mortgage)	
securing said indebtedness.)	
-----))	

OPINION AND ORDER

Saticoy Water Company has filed this application for authorization to execute a deed of trust and a chattel mortgage and to issue its notes in the principal amount of \$160,000.

Applicant is a California corporation organized in 1897. It is engaged in business as a public utility supplying water service in the unincorporated communities of Saticoy, Montalvo, and adjacent territory in Ventura County, serving, according to the application, 860 active connections as of June 1, 1957. It appears that its net investment in its utility plant amounted to \$200,327 on May 31, 1957, and its long-term debt to \$55,000, it having financed itself primarily with proprietary capital.

The application shows that the company will be called upon to serve additional customers and that it will find it necessary to provide additional lines and storage facilities and to improve its present distribution lines which are said to be in need of repair and replacement with larger mains. Presently, it is preparing plans for the acquisition of a reservoir site and the construction of a 300,000-gallon reservoir, together with a series of pressure pumps and other improvements. It estimates that it

will be called upon to spend \$154,500 for additions and improvements and \$143,600 to refund its present long-term notes and current liabilities, the two items aggregating \$298,100.

It appears that the required funds have been or will be provided, in part, through the sale of a portion of applicant's system to the City of Ventura and materials on hand, and in part with \$160,000 to be borrowed from Bank of A. Levy at Oxnard. The borrowing will be represented by promissory notes payable in equal annual installments with final payment on October 1, 1977, with interest at the prime rate as established in New York, plus 1-1/2%. The notes will be secured by a deed of trust and by a chattel mortgage.

From a review of the application it appears that the applicant will have need for external financing to meet its capital requirements. Accordingly, we will enter our order granting applicant's request.

O R D E R

The Commission having considered the above entitled matter and being of the opinion that a public hearing is not necessary, that the money, property or labor to be procured or paid for by the issue of the notes herein authorized is reasonably required for the purposes set forth 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. Saticoy Water Company, on and after the effective date hereof and on or before September 30, 1958, may execute a deed of trust and a chattel mortgage in, or substantially in, the same form as those filed in this proceeding and may issue its notes in the aggregate principal amount of \$160,000 for the purpose of

financing, in part, the cost of additions and improvements to its facilities and of paying outstanding indebtedness.

2. Saticoy Water Company, a corporation, shall file with the Commission a 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 notes and the execution of indentures and is not to be considered 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 Saticoy Water Company has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$160.

Dated at San Francisco, California, this 14~~th~~ day of January, 1958.

[Signature]
President

[Signature]

[Signature]

[Signature]

[Signature]
Commissioners

