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Decision No. _____

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

APPLICATION OF TUSTIN WATER WORKS,

a California Corporation, FOR

PERMIT TO ISSUE AND SELL BONDS

Application No. 43176
Filed February 23, 1961O P I N I O N

Tustin Water Works, a corporation, has filed this application for authorization to issue and sell \$300,000 principal amount of bonds. The bonds will be unsecured, will be registered, will bear interest at the rate of 5-1/2% per annum, payable quarterly, and will mature 15 years after date of issue. They will be offered for sale to applicant's customers.

Applicant is engaged, as a public utility, in the distribution of water in and about the City of Tustin in Orange County. The following tabulation, compiled from data in the Commission's files, indicates the extent of the operations and the growth during recent years:

<u>Year</u>	<u>Operating Revenues</u>	<u>Net Income</u>	<u>Net Plant Dec. 31</u>	<u>Metered Customers Dec. 31</u>
1956	\$ 144,652	\$34,527	\$ 797,796	3,578
1957	169,311	38,933	954,960	4,041
1958	214,139	41,903	1,089,566	4,875
1959	270,067	54,761	1,388,615	5,616
1960	299,764	56,873	1,592,132	6,288*

* At March 6, 1961.

A summary of the company's financial position at December 31, 1960, prepared from Exhibit A attached to the application, is as follows:

<u>Assets</u>		
Current assets		\$ 52,380
Utility plant, net		1,592,132
Deferred assets		<u>1,089</u>
Total		<u>\$1,645,601</u>
<u>Liabilities and Capital</u>		
Current liabilities		\$ 95,454
Term liabilities -		
Notes payable	\$ 39,941	
Advances for construction	681,170	
Bonds	<u>250,000</u>	971,111
Donations in aid of construction		22,085
Preferred stock		300,000
Common stock and surplus		<u>256,951</u>
Total		<u>\$1,645,601</u>

The purpose of the presently proposed financing is to provide applicant with funds to meet estimated capital costs as follows:

16' transmission main	\$ 75,000
Interconnecting mains	56,000
2 wells, pumps, land, etc.	36,000
1,500 meters	60,000
Residence at main plant	17,000
Office equipment and remote controls	11,000
Refunds due on contracts	<u>45,000</u>
Total	<u>\$300,000</u>

Applicant estimates that it will add about 1,500 new customers to its lines between January 1, 1961 and December 31, 1962, necessitating 1,500 more meters. It asserts that because of the long continued, rapid expansion, and development of its service area, the present facilities are inadequate and, in particular, there is need to install some interconnecting water mains and a large diameter main to be used as a transmission main for Metropolitan Water District water which will soon be available. Also, applicant reports the need of two new wells and pumps, and office equipment modernization and improvement.

It appears, upon analysis, that applicant's operations, based on its recorded and prospective results of operations, should be sufficient to service the bonds which it now proposes to issue and we will enter our order granting the company's request. This authorization is for the issue of bonds only 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.

O R D E R

The Commission having considered the above-entitled matter and being of the opinion and finding and concluding that a public hearing is not necessary, that the money, property or labor to be procured or paid for by the issue of the bonds herein authorized is reasonably required for the purpose specified herein, which purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS ORDERED that -

1. Tustin Water Works, a corporation, on and after the effective date hereof and on or before December 31, 1962, may issue and sell not to exceed \$300,000 in principal amount of its bonds under the terms and for the purpose set forth in this application.

2. Tustin Water Works, 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. This order shall become effective when Tustin Water Works, a corporation, has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$300.

Dated at San Francisco, California,
this 15th day of APRIL, 1961.

Gerrit A. Page
President

Ed. E. Mitchell

S. J. Fox

George T. Hoover

Fredrick B. Haloboff
Commissioners

PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA

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