

**ORIGINAL**

Decision No. 62648

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of

VALLECITO WATER COMPANY,  
a Corporation,

for an order authorizing it to  
issue its promissory note.

Application No. 43766  
Filed September 18, 1961

O P I N I O N

This is an application for an order of the Commission authorizing Vallecito Water Company, a corporation, applicant herein, to issue a \$65,000 note for the purpose of refinancing outstanding indebtedness.

The verified application shows that -

1. Applicant is a California corporation engaged in business as a public utility water corporation in the vicinity of the Cities of La Puente and Industry, Los Angeles County.
2. Under date of October 12, 1960, pursuant to authority granted by Decision No. 60847, dated October 11, 1960, in Application No. 42670, the company issued to Bank of America National Trust and Savings Association a \$55,000 note maturing on October 12, 1961, or earlier on demand, and bearing interest at the rate of 5-3/4 per cent per annum, payable quarterly, for the purpose of renewing certain outstanding notes.
3. The company issued a similar note dated May 24, 1961, in the face amount of \$10,000, for the purpose of obtaining funds to pay for water meters.

4. Applicant has made arrangements with Bank of America National Trust and Savings Association whereby, upon receiving authority from this Commission, the company will renew said two notes by issuing to the bank an unsecured note in the principal amount of \$65,000, bearing interest at the rate of 5-3/4 per cent per annum, payable quarterly, and maturing as to principal on October 12, 1962, or prior thereto on demand.

The Commission has considered this matter and finds and concludes that the proposed note issue is for a proper purpose; that the money, property or labor to be procured or paid for by the issue of the note herein authorized is reasonably required by applicant for the purpose specified herein; and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income.

We will enter an order in accordance with the foregoing findings. 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.

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 and that the application should be granted, therefore,

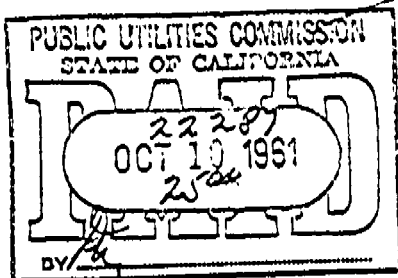
IT IS ORDERED that -

1. Vallecito Water Company, a corporation, on or after the effective date hereof and on or before December 31, 1961, may issue its unsecured promissory note in the principal amount of not to exceed \$65,000, bearing interest at the rate of not to exceed 5-3/4 per cent per annum, payable quarterly, and maturing as to principal on October 12, 1962, or prior thereto on demand, for the purpose of refunding indebtedness of like amount.

2. Within 30 days after issuing the note herein authorized, Vallecito Water Company, a corporation, shall file with the Commission a copy thereof as actually issued.

3. This order shall become effective when Vallecito Water Company, a corporation, has paid the minimum fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$25.

Dated at San Francisco, California, this 10<sup>th</sup> day of OCTOBER, 1961.



[Signature]  
President  
[Signature]  
Fredrick B. Haloboff

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Commissioners

Commissioner Peter E. Mitchell, being necessarily absent, did not participate in the disposition of this proceeding.