

ORIGINAL

Decision No. 65349

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of CONSERVATIVE WATER COMPANY, a corporation, for authority to borrow money; to execute a loan agreement, to execute a supplemental mortgage, and to issue promissory note or notes.

Application No. 45377
Filed April 24, 1963

O P I N I O N

Conservative Water Company has filed this application for authorization to execute a loan agreement and a supplemental mortgage and to issue a note in the principal amount of \$100,000.

Applicant is engaged in business as a public utility water corporation in Los Angeles County. In Exhibit D, it reports that its net investment in utility plant as of December 31, 1962, aggregated \$808,467 and that it had financed itself, in part, with mortgage notes issued to Pacific Mutual Life Insurance Company in the amount of \$205,500 as of the end of 1962 and, in part, with proprietary capital and contributions.

The application shows that the company now desires to increase its borrowings from Pacific Mutual Life Insurance Company by the sum of \$100,000 in order to finance, in part, the estimated cost of \$106,000 for extensions and improvements

consisting primarily of replacements of existing mains with larger mains, all as set forth in Exhibit C annexed to the application. Assertedly, the construction work is necessary in order for applicant to comply with restrictions on pumping water from the Central Basin as indicated in the Interim Agreement referred to in the Commission's Decision No. 64308, dated September 25, 1962.

The additional borrowing will be represented by a note payable June 1, 1968, with interest on the unpaid balance being payable semi-annually at the rate of 5-1/8% per annum.

We have considered this matter and are of the opinion, and find, that a public hearing is not necessary; that the money, property or labor to be procured or paid for by the issue of the note herein authorized is reasonably required for the purpose specified herein; and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income.

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 future proceedings for the determination of just and reasonable rates.

O R D E R

IT IS ORDERED that:

1. Conservative Water Company, on or after the effective date hereof and on or before December 31, 1963, may execute a loan agreement with Pacific Mutual Life Insurance Company and a supplemental mortgage, such documents to be in the same form, or substantially the same form, as those annexed to the application.

2. Conservative Water Company, on or after the effective date hereof and on or before December 31, 1963, may issue a note in the principal amount of not to exceed \$100,000 in the form, under the terms and for the purpose set forth in this application.

3. Conservative Water Company 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.

4. The authorization herein granted shall become effective when Conservative Water Company has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$100.

Dated at San Francisco, California,
this 14th day of MAY, 1963.

George J. Brewer
President

Fredrich B. Hildehoff

Sullivan W. Burchard

Commissioners

- 3 - Commissioner Everett C. McKeage, being necessarily absent, did not participate in the disposition of this proceeding.

