

ORIGINAL

Decision No. 66137

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of ROSA WATER COMPANY, a corporation, for an Order authorizing it to borrow money and execute a Loan Agreement Note and Mortgage in connection therewith.

Application No. 45805
Filed September 24, 1963

O P I N I O N

This is an application for an order of the Commission authorizing Rosa Water Company, a corporation, applicant herein, to execute a loan agreement and mortgage, and to issue notes aggregating \$350,000.

Applicant is a California corporation presently furnishing water service to more than 1,800 active connections in portions of Ventura County. The company reports that it has negotiated a \$350,000 loan with Pacific Mutual Life Insurance Company for the purpose of obtaining funds for refinancing certain liabilities, and for providing additional capital to continue its program for the expansion and improvement of its water production, distribution and storage facilities.

The notes which applicant proposes to issue will mature on July 1, 1988, will bear interest at the rate of 5-1/2% per annum, and will be secured by a mortgage. The water company proposes to repay the previously authorized

\$150,000 loan from Omaha National Bank with a like amount of the proceeds, which will have the effect of extending the maturity date of such borrowing for twenty-three years with no change in interest rate. Applicant proposes to apply \$20,000 of the proceeds to the repayment of an interim note of like amount in favor of its principal stockholder and issued for funds to pay obligations arising under outstanding main extension refund agreements. It proposes to use the remaining proceeds for (1) retiring certain outstanding material purchase accounts aggregating \$34,372; (2) acquiring properties of Simi Valley Mutual Water Company and Royal Water Company for \$60,396, pursuant to authorizations by this Commission; and (3) permanent additions estimated to total \$85,232, as set forth in Exhibit E attached to the application.

The Commission has considered this matter and is of the opinion, and so finds, that (1) the proposed indebtedness will strengthen and improve applicant's financial condition; (2) the proposed issue of notes is for proper purposes; (3) 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 specified herein; and (4) such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income. A public hearing is not necessary.

On the basis of the foregoing findings, we conclude that the application should be granted. The authorization thus granted is not to be construed as indicative of amounts to be included in future proceedings for the purpose of determining just and reasonable rates.

O R D E R

IT IS ORDERED that:

1. Rosa Water Company, a corporation, on or after the effective date hereof and on or before June 30, 1964, may execute a loan agreement and mortgage, and may issue notes in the aggregate principal amount of not to exceed \$350,000, for the purposes set forth in this proceeding, which documents shall be in the same form, or in substantially the same form, as those attached to the application.

2. Rosa 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. This order shall become effective when Rosa Water Company, a corporation, has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$200.

Dated at San Francisco, California, this 15th day of October, 1963.

Hallam B. Burnett
President

James E. [unclear]
Wesley W. [unclear]

George A. Grover

Fredrick B. Holboell
Commissioners

