

ORIGINAL

Decision No. 66322

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of the CLEAR LAKE WATER
COMPANY to issue notes in the amount
of \$131,150.00

} Application No. 45911
Filed October 29, 1963

O P I N I O N

This is an application for an order of the Commission authorizing Clear Lake Water Company, a corporation, applicant herein, to issue two notes in the aggregate principal amount of \$131,150.

Applicant is a California corporation operating as a public utility providing water for irrigation in portions of Yolo County. It reports that for financing, in part, the purchase of two parcels of land within its service area, it issued two notes in the aggregate principal amount of \$131,150, payable in ten equal annual installments aggregating \$13,115 each, together with interest computed at the rate of 6% per annum on the amounts of principal remaining unpaid from time to time. Payment of each note is secured by a deed of trust on nonutility property. As of September 30, 1963, applicant reports an aggregate unpaid balance of \$113,420 which it owes on the notes.

The application shows that the company purchased the two parcels for the development of additional land requiring water service and for the conducting of certain experiments in the irrigation of crops, and that such experiments will be designed to show the advantage of an increased use of irrigation water.

The corporation did not obtain authorization from the Commission to issue the notes as required by Section 818 of the Public Utilities Code. It appears, however, that applicant's failure to do so was through inadvertence and that when the requirements of the code were called to its attention, it forthwith filed the present application requesting the Commission to authorize the outstanding loans.

Section 825 of the Public Utilities Code declares void any long-term notes of a public utility issued without approval of the Commission. However, the notes were issued for a proper purpose and we shall enter an order authorizing applicant to issue new notes in lieu of those issued without the necessary authorization. We are of the opinion, and find, that the money, property or labor to be procured or paid for by the issue of the notes 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. A public hearing is not necessary.

O R D E R

IT IS ORDERED that:

1. Clear Lake Water Company, a corporation, on or after the effective date hereof and on or before March 31, 1964, may issue its new notes in the aggregate principal amount of not to exceed \$113,420, said new notes to be issued in the place and stead of the presently outstanding notes which were issued originally in the aggregate principal amount of \$131,150 without authorization from the Commission.

2. Within thirty days after issuing the new notes herein authorized, Clear Lake Water Company, a corporation, shall file with the Commission a copy of each as actually issued.

3. This order shall become effective when Clear Lake Water Company, a corporation, has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$114.

Dated at San Francisco, California, this 19th day of November, 1963.

William W. Brund
President

[Signature]
[Signature]

George L. Grover

Fredrick B. Blalock
Commissioners

