A.46730 MON ORIGINAL 67503 Decision No. BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA Application of PALM SPRINGS WATER COMPANY under Public Utilities Code Section 817 for authority to issue Note or other evidence of indebtedness payable at periods of more than 12 Application No. 46730 months after the date thereof for the Filed June 16, 1964 purposes of discharging or refunding of its obligations and for the construction, completion, extension, improvement or maintenance of its facilities and service. <u>opinion</u> In this application, Palm Springs Water Company requests an order of the Commission authorizing it to issue a promissory note, or notes, aggregating \$300,000. Applicant is a California corporation engaged as a public utility in providing water service to consumers located in and about the City of Palm Springs. Its 1963 annual report to the Commission shows gross operating revenues of \$808,998 and net income of \$112,927 for the year, and 7,798 active service connections, exclusive of private fire connections and public fire hydrants, at December 31, 1963. The balance sheet, attached to the application, indicates that as of April 30, 1964, the company's total assets amounted to \$3,693,642 after deducting a \$988,868 reserve for depreciation. Exclusive of contributions in aid of construction amounting to ~ 1 -

\$140,948, applicant's capital structure as recorded on April 30, 1964 and as adjusted to give effect to the proposed financing, is as summarized below:

		April 3	0, 1964		Pro	forma
		Amount	Percen	<u></u>	Amount	Percent
Short-term notes Long-term debt Advances for construction Preferred stock Common stock equity		190,000 652,280 944,868 48,750 1,605,441	27	\$	952,280 944,868 48,750 ,605,441	27% 27 1 45
Total	\$:	3,441,339	100%	\$3	,551,339	100%

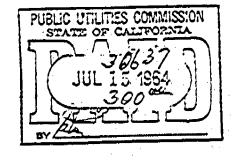
The application shows that the utility has issued short-term notes in the aggregate amount of \$190,000 at various times for the purposes of financing and refinancing the cost of plant additions. The company reports that the rapid economic development and population increase in its service area will require further capital expenditures totaling \$183,621 in 1964.

Applicant proposes to borrow \$300,000 from Security First National Bank, to apply \$190,000 of the proceeds toward refunding said short-term notes and to utilize \$110,000 for financing a portion of the cost of additional plant facilities to be installed in 1964. The borrowing will be represented by a promissory note, or notes, repayable in not to exceed four years after date of issue and bearing interest at the rate of 5-1/2% per annum.

- 2. Palm Springs Water Company shall file with the Commission a report, or reports, as required by General Order No. 24-B, which order, insofar as applicable, is hereby made a part of this order.
- 3. This order shall become effective when Palm Springs Water Company has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$300.

Dated at		, California,
this 1476 day of	July	, 1964
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Commissioner Everett C. McKeage, being necessarily absent, did not participate in the disposition of this proceeding.



Commissioners