

ORIGINAL

Decision No. 68984

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of the)
CLEAR LAKE WATER COMPANY)
to issue notes in the)
amount of \$72,420.00)
_____)

Application No. 47475
Filed April 7, 1965

O P I N I O N

This is an application for an order of the Commission authorizing Clear Lake Water Company to issue a note in the principal amount of not to exceed \$72,420.

Applicant is a California corporation operating as a public utility providing water for irrigation purposes in portions of Yolo County. According to the company's 1964 annual report, its gross operating revenues for the calendar year were \$393,101 and its net income was \$73,971. As of December 31, 1964, applicant's total assets of \$1,527,765 were offset by common stock equity and contributions in aid of construction in respective amounts of \$1,253,895 and \$80,810, by \$87,190 of long-term debt and by other liabilities aggregating \$105,870.

The application shows that the company desires to purchase a seventy-acre parcel of agricultural land within its service area for the sum of \$102,000, and that such parcel will be considered nonutility property to be used in the

development of irrigation practices designed to increase sales of water. Applicant proposes to make an initial payment of \$29,580, and in this proceeding it requests authority to issue a \$72,420 promissory note for the balance of the purchase price. The proposed note will be repayable in ten equal annual installments of \$7,242, plus interest at the rate of 6% per annum, and will be secured by a deed of trust on said nonutility property.

The Commission has considered this matter and finds that: (1) the proposed note issue is for a proper purpose; (2) 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 (3) such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income. On the basis of these findings we conclude that the application should be granted. A public hearing is not necessary.

The authorization herein granted is for the purpose of this proceeding only and is not to be construed as indicative of amounts to be included in proceedings for the determination of just and reasonable rates.

O R D E R

IT IS ORDERED that:

1. Clear Lake Water Company, on or after the effective date hereof and on or before September 30, 1965, for the purpose specified in this proceeding, may issue its promissory note in the principal amount of not to exceed \$72,420 in the same form, or in substantially the same form, as that attached to the application.

2. Clear Lake 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 Clear Lake Water Company has paid the fee prescribed by Section 1904 (b) of the Public Utilities Code, which fee is \$73.

Dated at San Francisco, California,
this 4th day of MAY, 1965.

Frederick P. Holdcroft
President

John E. Mitchell

George J. Hoover

Rogers

Schlesinger Brunell
Commissioners

