

**ORIGINAL**Decision No. 69689

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

APPLICATION OF SATICOY WATER )  
 COMPANY FOR AUTHORITY TO ISSUE )  
 UNSECURED PROMISSORY NOTES )

Application No. 47866  
 Filed September 3, 1965

O P I N I O N

Saticoy Water Company has filed this application for an order of the Commission authorizing it to issue unsecured promissory notes in the aggregate principal amount of \$100,000.

Applicant is a California corporation providing public utility water service in portions of Ventura County. The company's income statement for the year ended December 31, 1964, which is attached to the application as part of Exhibit C, shows gross operating revenues of \$202,346 and net income of \$43,813.

According to the application, the utility had 3,209 metered customers as of July 1, 1965. The company asserts that the rapid expansion of customers served has caused the need for additional storage and a new well in order to provide an adequate water supply during peak demand periods and to secure better quality water. The utility estimates an expenditure of \$100,000 for the following facilities:

	<u>Amount</u>
New 1,500,000 gallon reservoir and facilities thereto	\$ 65,000
New well and pump	30,000
New 16" main to reservoir	<u>5,000</u>
Total	<u>\$100,000</u>

The application shows that stockholders of the corporation have agreed to loan \$100,000 to the utility for the purpose of financing the cost of said facilities. As evidence of the borrowing, applicant proposes to issue its unsecured promissory notes to be dated October 1, 1965, in an aggregate principal amount of not to exceed \$100,000. Said notes will mature October 1, 1975, subject to the company's option to call any or all of such notes any time after October 1, 1970.

The Commission has considered this matter and finds that: (1) the proposed note issues are for a proper purpose; (2) the money, property or labor to be procured or paid for by the issue of the notes 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. A public hearing is not necessary.

On the basis of the foregoing findings, we conclude that the application should be granted. The authorization herein given 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. Saticoy Water Company may issue its unsecured promissory notes in the aggregate principal amount of not to

exceed \$100,000 for the purpose specified in the application. Said notes shall be in the same form, or in substantially the same form, as that annexed to the application as Exhibit A.

2. Saticoy 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 Saticoy 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 21<sup>ST</sup> day of SEPTEMBER, 1965.

Frederick B. Holdoff  
President

George H. Trover  
Secretary

William W. Bennett  
Commissioners

