

**ORIGINAL**

Decision No. 69831

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  
Petition for Modification  
Filed October 6, 1965

FIRST SUPPLEMENTAL OPINION

By Decision No. 69689, dated September 21, 1965, in the above-entitled matter, the Commission authorized Saticoy Water Company to issue its unsecured promissory notes in the aggregate principal amount of not to exceed \$100,000 for the purpose of obtaining loans from its stockholders for financing certain capital improvements. Applicant now desires authority to use the proceeds for reducing other indebtedness until such time as funds are needed for said improvements.

The Commission, by Decision No. 66429, dated December 10, 1963, in Application No. 45973, authorized Saticoy Water Company to issue notes in the aggregate principal amount of not to exceed \$200,000 in accordance with the provisions of its loan agreement with Bank of A. Levy. Applicant reports that it has utilized \$100,000 of said \$200,000 loan and that, under its working agreement with the bank, it has the privilege of reducing the loan or of bringing the borrowing up to the maximum amount of the loan with interest being computed on the actual amount borrowed.

In its Petition for Modification, applicant states that on October 1, 1965, it issued the \$100,000 of promissory notes authorized by said Decision No. 69689, but it is contemplated that the proposed capital improvements to be financed therefrom may not be fully completed for some time. The company desires authority to use funds derived from issuing said \$100,000 of notes to reduce the Bank of A. Levy loan until such time as said funds are needed for the capital improvements set forth in Decision No. 69689.

The Commission has considered this Petition for Modification and finds that: (1) the money, property or labor to be procured or paid for by the issue of the notes authorized by said Decision No. 69689 is reasonably required for the purposes specified therein and in this Petition for Modification; and (2) 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 Petition for Modification 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.

FIRST SUPPLEMENTAL ORDER

IT IS ORDERED that:

1. Decision No. 69689, dated September 21, 1965, is hereby modified so as to permit Saticoy Water Company to reduce the Bank of A. Levy loan authorized by Decision No. 66429, dated December 10, 1963, with funds derived from the \$100,000 aggregate principal amount of notes issued pursuant to authority granted by said Decision No. 69689, until such time as said funds are needed for the capital improvements set forth in the latter decision.

2. Said Decision No. 69689 shall remain in full force and effect except as modified by this First Supplemental Order.

3. The effective date of this First Supplemental Order is the date hereof.

Dated at San Francisco, California, this 21<sup>st</sup> day of OCTOBER, 1965.

Frederick B. Holdcroft  
President  
John C. Ditchfield  
George P. Brewer  
Acogator  
Commissioners

Commissioner William M. Bennett, being necessarily absent, did not participate in the disposition of this proceeding.