

ORIGINAL

Decision No. 70103

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application)
of DIAMOND BAR WATER COMPANY, a)
corporation, for authority to)
issue promissory note to refund)
notes previously issued.)

Application No. 48088
Filed November 30, 1965

O P I N I O N

This is an application for an order of the Commission authorizing Diamond Bar Water Company to issue a promissory note in the principal amount of \$1,000,000 for the purpose of refunding an equal amount of debt.

Applicant is a California corporation engaged as a public utility in the business of selling and distributing water for domestic, commercial and industrial purposes in the Brea Canyon area of Los Angeles County. Pursuant to a line of credit from Bank of America National Trust and Savings Association, the company has nine promissory notes outstanding in the aggregate principal amount of \$1,000,000. Applicant states that each of said notes bears an interest rate of five percent per annum and a maturity date of December 31, 1965, and that the proceeds have been expended for capital additions and working capital in accordance with authorizations previously granted by the Commission.

In order to extend the time for repayment of the \$1,000,000 represented by said notes, the company seeks authority to issue a promissory note in the principal amount of \$1,000,000, which note will provide for payment of interest at the rate of three-fourths of one percent per annum above the prevailing prime rate and will contain a maturity date of December 31, 1967.

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. 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. Diamond Bar Water Company, on or after the date hereof and on or before March 31, 1966, for the purpose specified herein, may issue a note in the principal amount of not to exceed \$1,000,000, which note shall be in the same form, or in substantially the same form, as that attached to the application as Exhibit B.

2. Diamond Bar 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. The effective date of this order is the date hereof.

Dated at San Francisco, California,
this 21st day of DECEMBER, 1965.

Frederick C. Holshoff
President

George A. Hoover

Augustus

William L. Bennett

Commissioners