

**ORIGINAL**

Decision No. 70519

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

APPLICATION OF TUSTIN WATER WORKS, )  
a California Corporation, FOR PERMIT )  
TO ISSUE AND SELL BONDS )

Application No. 48307  
Filed March 15, 1966

O P I N I O N

This is an application for an order of the Commission authorizing Tustin Water Works to issue and sell \$300,000 aggregate principal amount of its bonds.

Applicant is a California corporation engaged in business as a public utility distributing water in and about the City of Tustin, Orange County. For the year ended December 31, 1965, the company reports gross operating revenues totaling \$517,458 and net income of \$57,912.

The company's presently outstanding long-term debt includes two bond issues in respective amounts of \$250,000 due in 1970 and \$300,000 due in 1976, both of which bear interest at the rate of 5½% per annum. In this proceeding applicant proposes to issue and sell \$300,000 principal amount of its 5½% bonds which will mature 15 years after their date.

Proceeds to be derived from sale of the bonds will be applied toward (a) financing the purchase and installation of interconnecting mains, meters and office equipment at an estimated cost of \$134,500, (b) paying refunds of \$65,500 due on main extension contracts, and (c) discharging \$100,000 of notes payable.

The application shows that funds received from issuance of said notes were used to pay \$65,000 of refunds due on main extension contracts and to finance capital improvements costing \$35,000.

Applicant asserts that the bond issue proposed herein will provide funds for the installation of adequate facilities to keep pace with the rapid expansion and development of its service area. The utility has demonstrated over a period of years that financing through the sale of bonds has been successful without impairing the ability to meet its financial requirements and to provide adequate service to the public at just and reasonable rates.

The Commission has considered this matter and finds that: (1) the proposed bond issue is for proper purposes; (2) applicant has need for funds from external sources for the purposes set forth in the application; (3) the money, property or labor to be procured or paid for by the issue of the bonds herein authorized is reasonably required for the purposes specified herein; and (4) 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 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. Tustin Water Works, on or after the effective date hereof and on or before December 31, 1967, may issue and sell not to exceed \$300,000 aggregate principal amount of its bonds under the terms and for the purposes specified in the application.
2. Tustin Water Works 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 Tustin Water Works has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$300.

Dated at San Francisco, California,  
this 5<sup>th</sup> day of APRIL, 1966.

Frederick B. Holcomb  
President

George T. Thorell

George J. ...

William G. ...  
Commissioners

Commissioner Peter E. Mitchell, being necessarily absent, did not participate in the disposition of this proceeding.

