

ORIGINAL

Decision No. 76721

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of	)	
CALIFORNIA-AMERICAN WATER COMPANY for	)	Application No. 51642
authority to issue a promissory note	)	Filed January 22, 1970
in the amount of \$550,000 in order to	)	
refund an existing indebtedness.	)	

O P I N I O N

California-American Water Company requests an order of the Commission authorizing it to issue a promissory note in the principal amount of \$550,000 and bearing a due date of March 31, 1971.

The application shows that on February 3, 1969, Village Water Company issued a \$550,000 note due December 31, 1969, in favor of Bank of America National Trust and Savings Association, and applied the proceeds toward purchasing properties of Orbis Water Company. Upon the merger of Village Water Company into applicant on December 31, 1969, the latter reports that it replaced said note by issuing to the bank a \$550,000 note due January 31, 1970.

Applicant proposes to replace said note due January 31, 1970, by issuing a note in favor of Bank of America National Trust and Savings Association, bearing interest at the prevailing prime rate plus 1/4%, on a floating basis, and providing for the repayment of \$550,000 on March 31, 1971.

After consideration the Commission finds that: (1) the proposed note 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 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. California-American Water Company, on or after the effective date hereof, for the purpose set forth in this proceeding, may issue its note in the principal amount of not exceeding

\$550,000. Said note shall be in the same form, or in substantially the same form, as that attached to the application as Exhibit A.

2. Within thirty days after issuing the note herein authorized California-American Water Company shall file with the Commission a copy thereof as actually issued. The filing shall be in lieu of a report required by General Order No. 24-B.

3. This order shall become effective when California-American Water Company has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$1,100.

Dated at San Francisco, California,  
this 27th day of JANUARY, 1970.

William S. ...  
President

Augusta

J. ...

...

Vernon L. Steegen  
Commissioners

