

Decision No. 80750**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
ofCALIFORNIA WATER SERVICE COMPANY,
a corporation,for an order authorizing it to
issue an additional amount of
its First Mortgage Bonds.Application No. 53670
(Filed October 30, 1972)O P I N I O N

California Water Service Company seeks authority to issue and sell \$3,000,000 principal amount of its bonds, and to execute and deliver a supplemental indenture.

Applicant is a California corporation engaged in supplying and distributing water for domestic and industrial purposes in portions of California. For the 12 months ended September 30, 1972, the company reports total operating revenues and net income in the respective amounts of \$29,813,387 and \$4,487,321. Its capitalization percentages at September 30, 1972, and as adjusted to give effect to the proposed bond issue, are computed as follows:

	<u>September 30, 1972</u>	<u>Pro Forma</u>
First mortgage bonds	51.1%	52.6%
Preferred stock	4.0	3.8
Common stock equity	<u>44.9</u>	<u>43.6</u>
Total	<u>100.0%</u>	<u>100.0%</u>

The proposed bond issue would be designated First Mortgage 7-7/8% Bonds, Series P, and would be secured by an existing indenture as heretofore supplemented, amended and modified and as further supplemented by a proposed Twenty-First Supplemental Indenture. The bonds would be dated November 1, 1972 and would mature November 1, 2002. A ten-year restricted redemption provision would apply to the proposed bond issue.

The company has tentative commitments to sell the new bonds to two institutional investors at a price equal to 100% of their principal amount plus accrued interest, the latter to be deducted from the first interest payment. The utility proposes to apply the gross proceeds (exclusive of accrued interest) to defraying expenses of issuance and sale of the bonds and to reimbursing its treasury for capital expenditures, the reported unreimbursed amount of which was \$39,955,776 at August 31, 1972.

After consideration the Commission finds that:

1. The proposed Twenty-First Supplemental Indenture would not be adverse to the public interest.
2. The proposed bond issue is for proper purposes.
3. Applicant has need for external funds for the purposes set forth in this proceeding.
4. The proposed restricted redemption provision is reasonable.
5. 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, which purposes, except as otherwise authorized for accrued interest, are not, in whole or in part, reasonably chargeable to operating expenses or to income.

On the basis of the foregoing findings we conclude that the application should be granted. A public hearing is not necessary. 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.

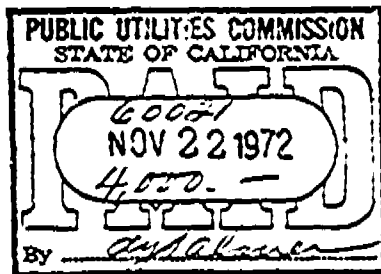
O R D E R

IT IS ORDERED that:

1. California Water Service Company may execute and deliver a Supplemental Mortgage of Chattels and Trust Indenture (Twenty-First Supplemental Indenture) in substantially the same form as that attached to the application as Exhibit D.
2. On or after the effective date hereof and on or before January 31, 1973, California Water Service Company may issue and sell, at private sale, not exceeding \$3,000,000 aggregate principal amount of its First Mortgage 7-7/8% Bonds, Series P, at a price of not less than the principal amount thereof plus accrued interest to the date of issuance (to be deducted from the first payment of interest).
3. California Water Service Company shall use the proceeds of the issuance and sale of said bonds for the purposes set forth in the application.
4. California Water Service Company shall file with the Commission the report required by General Order No. 24-B, which order, insofar as applicable, is hereby made a part of this order.

5. This order shall become effective when California Water Service Company has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$4,000.

Dated at San Francisco, California, this 21st day of NOVEMBER, 1972.



Vernon L. Sturgeon
President
William J. ...
J. ...
...
...
Commissioners