

Decision No. 80983

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of COUNTY WATER COMPANY, Inc.)
for Authorization to execute)
evidence of Indebtedness.)

Application No. 53773
(Filed December 29, 1972)

O P I N I O N

County Water Company seeks authority to issue a note in the principal amount of \$102,000.

Applicant is a California corporation engaged in the business of providing water service in portions of Los Angeles County. Its balance sheet at June 30, 1972 is summarized from Exhibit A, attached to the application, as follows:

Assets

Current assets	\$ 32,638
Net utility plant	492,462
Other assets	8,840
Total	<u>\$533,940</u>

Liabilities

Current liabilities, excluding current portion of long-term debt	\$ 35,248
Note payable to bank	75,200
Other note payable	5,000
Advances for construction	78,653
Contributions in aid of construction	15,009
Stockholders' equity	<u>324,830</u>
Total	<u>\$533,940</u>

The company proposes to borrow \$102,000 from the Bank of America National Trust and Savings Association. The borrowing would be evidenced by a promissory note repayable in monthly installments of \$1,700 together with interest at the rate of 1-3/4% per annum plus the bank's prime rate. The note proceeds would be used (a) to retire the \$65,000 outstanding balance of a previously authorized note to said bank, (b) to provide \$27,000 for capital improvements, and (c) to provide \$10,000 working capital.

After consideration the Commission finds that: (1) the proposed note is for proper purposes; (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 purposes specified herein; and (3) such purposes 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

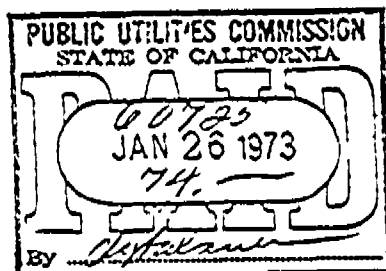
IT IS ORDERED that:

1. County Water Company, on or after the effective date hereof and on or before April 30, 1973, for the purposes specified in this proceeding, may issue its promissory note in the principal amount of not exceeding \$102,000, which note shall be in substantially the same form as that attached to the application as a part of Exhibit B.

2. County 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. This order shall become effective when County Water Company has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$74.

Dated at San Francisco, California, this 23rd day of JANUARY, 1973.



Verne L. Sturgeon
President
[Signature]
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Commissioners

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