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Decision No. 81531

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
VALLECITO WATER COMPANY for authority)
to issue a Promissory Note or Notes)
to Refund Note Previously issued.)

Application No. 54079
(Filed June 4, 1973)

O P I N I O N

Vallecito Water Company seeks authority to issue a note in the principal amount of \$350,000.

Applicant is a California corporation engaged in the business of producing, distributing and selling water as a public utility to approximately 5,860 active service connections in Los Angeles County. Its balance sheet as of February 28, 1973, as summarized from Exhibit A, attached to the application, is as follows:

Assets

Net utility plant	\$3,296,573
Other assets	<u>178,817</u>
Total	<u>\$3,475,390</u>

Liabilities

Common stock equity	\$ 986,793
Long-term debt	22,500
Payable to parent company	350,000
Advances for construction	964,326
Contributions in aid of construction	384,895
Other liabilities	<u>266,876</u>
Total	<u>\$3,475,390</u>

The application indicates that on January 22, 1973, the company paid the \$400,000 outstanding balance of a previously authorized note in favor of Bank of America National Trust and Savings Association with \$50,000 of internally generated funds and \$350,000 borrowed from its parent company, San Gabriel Valley Water Company. Applicant proposes to evidence the \$350,000 borrowing by a note which would mature not later than June 30, 1974, and would provide for interest at the rate per annum of 1% above the prime rate of Bank of America National Trust and Savings Association from time to time in effect.

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.

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

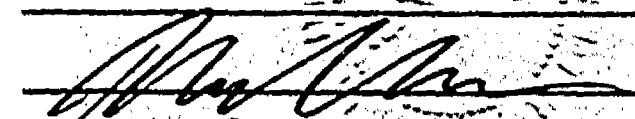

IT IS ORDERED that Vallecito Water Company, on or after the date hereof and on or before September 30, 1973, for the purpose and in accordance with the terms set forth in the application, may issue its promissory note in the principal amount of not exceeding \$350,000.

IT IS FURTHER ORDERED that Vallecito Water 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.

The effective date of this order is the date hereof.

Dated at Los Angeles, California, this 26th day of June, 1973.


President



Commissioners

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

Commissioner J. F. Vukasin, Jr., being necessarily absent, did not participate in the disposition of this proceeding.