

Decision No. 82529**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 )  
 CALIFORNIA WATER SERVICE COMPANY, )  
 a corporation, )

for an order authorizing it to )  
 issue an additional amount of )  
 its First Mortgage Bonds. )

Application No. 54629  
 (Filed February 5, 1974)

O P I N I O N

California Water Service Company seeks authority to issue and sell \$3,000,000 aggregate principal amount of its First Mortgage 8-1/2% Bonds, Series S, and to execute and deliver a Twenty-Fourth Supplemental Indenture.

Applicant is a California corporation engaged in the business of supplying water to domestic and industrial consumers in portions of California. For the year 1973, it reports operating revenues and net income in the respective amounts of \$34,827,754 and \$5,001,941. Its reported capitalization ratios at December 31, 1973, and as adjusted to give effect to the proposed \$3,000,000 bond issue, as set forth in the application, are as follows:

	December 31, 1973	Pro forma
First mortgage bonds	53.6%	54.8%
Preferred stock	3.5	3.4
Common stock equity	42.9	41.8
Total	<u>100.0%</u>	<u>100.0%</u>

The company has tentative commitments from four life insurance companies for the purchase of the bonds at 100% of their principal amount plus accrued interest. The gross proceeds, exclusive of accrued interest, would be applied to defraying the expenses of the issuance and sale of said bonds and reimbursing applicant's treasury for capital expenditures, the unfinanced amount of which is reported as \$54,275,218 at December 31, 1973.

The proposed bonds would be secured by an existing indenture as heretofore supplemented and as further supplemented by a proposed Twenty-Fourth Supplemental Indenture. The bonds would be dated November 1, 1973, would mature November 1, 2003, and would be subject to a ten-year restricted redemption provision.

After consideration the Commission finds that:

1. The proposed bonds would be for proper purposes.
2. Applicant has need for external funds for the purposes set forth in the application.
3. The proposed restricted redemption provision is reasonable.
4. The proposed Twenty-Fourth Supplemental Indenture would not be adverse to the public interest.
5. The money, property or labor to be procured or paid for by 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-Fourth Supplemental Indenture) in substantially the same form as Exhibit D, attached to the application.

2. California Water Service Company, on or after the effective date hereof and on or before June 30, 1974, may issue and sell at private sales, not exceeding \$3,000,000 aggregate principal amount of its First Mortgage C-1/2% Bonds, Series S, at a price of not less than the principal amount thereof.

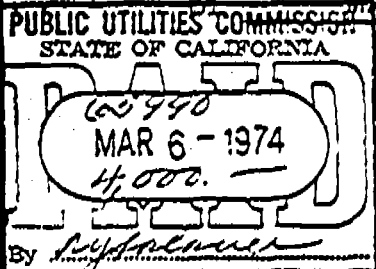
3. California Water Service Company shall use the proceeds from the issuance and sale of said bonds, exclusive of accrued interest, for the purposes set forth in the application. The accrued interest may be used for such purposes or for general corporate purposes.

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 5th day

MARCH 1, 1974.



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

Commissioner Thomas Moran, being necessarily absent, did not participate in the disposition of this proceeding.

[Signature]  
President

[Signature]  
Commissioners