

ORIGINAL

Decision No. 82708

## BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
     PARK WATER COMPANY,  
 a California corporation, for  
 Authorization pursuant to California  
 Public Utilities Code Sections 816-830  
 to issue \$2,820,000 aggregate  
 principal amount of First Mortgage  
 Bonds; and to execute and deliver  
 an Indenture.

Application No. 54735  
 (Filed March 14, 1974)

In the Matter of the Application of  
     PARK WATER COMPANY  
 for authority to: (1) acquire the  
 common stock of Vandenberg Utilities  
 Company and Vandenberg Disposal  
 Company; (2) merge Vandenberg  
 Utilities Company and Vandenberg  
 Disposal Company into Park Water  
 Company; (3) grant certificates of  
 public convenience and necessity to  
 Park Water Company; and (4) issue  
 evidence of indebtedness (promissory  
 note or notes), and (5) the  
 application of Vandenberg Utilities  
 Company, and Vandenberg Disposal to  
 merge with Park Water Company and  
 to be relieved of their public  
 utility obligations.

Application No. 54231  
 Petition for Modification  
 (Filed March 14, 1974)

O P I N I O N

Park Water Company seeks authority to issue \$4,120,000 aggregate principal amount of its First Mortgage Bonds and to execute and deliver an Indenture.

Park Water Company is a California corporation engaged in the business of producing, distributing and supplying water in portions of Los Angeles, San Bernardino and Santa Barbara Counties, and in the business of collecting, treating and disposing of wastewater in a portion of Santa Barbara County.

By Decision No. 81891, dated September 14, 1973, in Application No. 54231, the Commission authorized Park Water Company, among other things, to issue a \$1,300,000 note to Pacific Mutual Life Insurance Company. The company seeks modification of said Decision No. 81891 so as to authorize it to issue a like amount of its First Mortgage Bonds in place and stead of the note. In addition, the utility proposes to issue \$2,820,000 aggregate principal amount of its First Mortgage Bonds in exchange for the outstanding notes authorized by Decision No. 77828, dated October 14, 1970, in Application No. 52111.

The bonds would bear the same interest rate, the same maturity date and the same restriction on redemption (prepayment), respectively, as the notes for which they would be exchanged or for which they would be issued in place and stead thereof, and would be secured by a proposed Indenture to be dated as of November 1, 1973.

The application and the petition indicate that additional bonds may be issued under the provisions of the proposed Indenture without the necessity of offering any proposed lender a secondary security position, and that negotiation in the market should result in a reasonable interest cost for any new issues.

After consideration the Commission finds that:

1. The proposed bonds would be for proper purposes.
2. The proposed restricted redemption provisions are reasonable.
3. The proposed Indenture would not be adverse to the public interest.
4. 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 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 and the petition should be granted. A public hearing is not necessary. The authorization herein granted is for the purpose of these proceedings 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. Park Water Company may execute and deliver an Indenture in substantially the same form as Exhibit A attached to the application.
2. Park Water Company, for the purposes specified in the application, may issue not exceeding \$1,786,000 aggregate principal amount of its First Mortgage Bonds, 9-3/4% Series due 1990, and not exceeding \$1,034,000 aggregate principal amount of its First Mortgage Bonds, 9-1/2% Series due 1990.
3. Ordering Paragraph No. 3 of Decision No. 81891 is hereby modified so as to authorize Park Water Company to issue not exceeding \$1,300,000 aggregate principal amount of its First Mortgage Bonds, 8-1/2% Series due 1998, in place and stead of a note.
4. Park Water Company shall file with the Commission the reports required by General Order No. 24-B, which order, insofar as applicable, is hereby made a part of this order.

A.54735, A.54231-S EN

5. Decision No. S1891 shall remain in full force and effect except as modified by this order.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 9<sup>th</sup> day of April, 1974.

Vernon L. Strawn  
President  
William J. Harrison Jr.  
William J. Harrison Jr.  
William J. Harrison Jr.  
William J. Harrison Jr.  
Commissioners