

ORIGINALDecision No. 82966

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
 of)
 Santa Clarita Water Company for)
 Authority to Issue a \$55,626.02)
 Promissory Note.)

Application No. 54876
 (Filed May 15, 1974)

O P I N I O N

Santa Clarita Water Company seeks authority to issue a \$55,626.02 note.

Applicant is a California corporation owning and operating a public utility water system in Los Angeles County. In order to pay refunds due on main extension contracts at December 31, 1973 in the aggregate amount of \$55,626.02, the company proposes to issue an unsecured note in such amount in favor of Pacific Coast Properties, Inc. The note would bear interest at the rate of 7% per annum, payable monthly, for the first 12 months, and at the rate of 8- $\frac{1}{2}$ % per annum thereafter. Repayment of the note would begin on the first day of the fourteenth month at the monthly rate of \$1,371, including applicable interest.

The application indicates that, after giving effect to the proposed note, the utility's capitalization percentages would be 17% long-term debt and 83% equity.

After consideration the Commission finds that: (1) the proposed note would be for a proper purpose; (2) the money, property or labor to be procured or paid for by 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

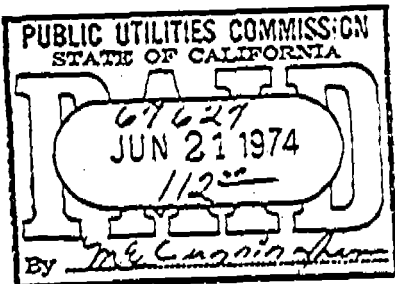
IT IS ORDERED that:

1. Santa Clarita Water Company, on or after the effective date hereof and on or before September 30, 1974, for the purpose specified in this proceeding, may issue a promissory note in the principal amount of not exceeding \$55,626.02, which note shall be in substantially the same form as Exhibit A attached to the application.

2. Santa Clarita 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.

3. This order shall become effective when Santa Clarita Water Company has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$112.

Dated at San Francisco, California, this 5th day of
JUNE, 1974.



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