

**ORIGINAL**Decision No. 82968

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
VALLECITO WATER COMPANY for authority ) Application No. 54877  
to issue a Promissory Note to Refund ) (Filed May 15, 1974)  
Note Previously Issued. )

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O P I N I O N

Vallecito Water Company seeks authority to issue a \$350,000 note.

Applicant is a California corporation engaged in the business of producing, distributing and selling water as a public utility, to approximately 5,950 active service connections in Los Angeles County.

By Decision No. 81531, dated June 26, 1973, in Application No. 54079, the Commission authorized applicant to issue a \$350,000 note to its parent company, San Gabriel Valley Water Company. This note will mature on June 30, 1974, and the application indicates that Vallecito Water Company will be unable to repay the note upon maturity.

Applicant proposes to issue a new note in a like amount to its parent company in repayment of the existing note. The new note would mature not later than June 30, 1975, 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, but not in excess of 10% per annum.

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 Vallecito Water Company, on or after the date hereof and on or before September 30, 1974, 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 San Francisco, California, this 5th day of June, 1974.

Vernon L. Stenger  
President  
William J. Quinn  
W. H. Quinn  
[Signature]  
[Signature]  
Commissioners