

ORIGINAL

Decision No. 83616

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of CALIFORNIA-AMERICAN WATER)
COMPANY for authority to issue)
and sell up to \$5,500,000)
principal amount of its 9-7/8%)
Debentures, 1974 Series.)

Application No. 55230
(Filed October 3, 1974)

O P I N I O N

California-American Water Company seeks authority to issue and sell \$5,500,000 of its debentures.

Applicant is a California corporation owning and operating water systems in the Counties of Los Angeles, Monterey, San Diego and Ventura. For the year 1973 it reports operating revenues and net income in the respective amounts of \$12,371,087 and \$512,864.

By Decision No. 82630, dated March 26, 1974, in Application No. 54655, the Commission exempted from its competitive bidding rule the issue and sale by California-American Water Company of not exceeding \$6,000,000 principal amount of its debentures. The company reports that it has decided to reduce the amount of the offering to \$5,500,000, and that it has completed negotiations for the purchase of said \$5,500,000 of its debentures by three life insurance companies.

The debentures would mature November 1, 1994, would bear interest at the rate of 9-7/8% per annum and would be subject to a ten-year restricted redemption provision. The

proceeds from the sale of the debentures would be used to retire previously authorized indebtedness to Bank of America National Trust and Savings Association.

After consideration the Commission finds that:

1. The proposed debentures would be for a proper purpose.
2. The proposed restricted redemption provision is reasonable.
3. The money, property or labor to be procured or paid for by the debentures herein authorized is reasonably required for the purpose specified herein, which 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. California-American Water Company, on or after the date hereof and on or before March 31, 1975, may issue and sell not exceeding \$5,500,000 principal amount of its 9-7/8% Debentures, 1974 Series, due November 1, 1994, on the terms and conditions, and for the purpose set forth in the application.

2. California-American 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.

3. The effective date of this order is the date hereof.

Dated at San Francisco, California, this 22nd day of October, 1974.

Vernon L. Sturgeon
President
William J. Symons - B.
J. P. Mahan
Thomas Moran
Commissioners

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