

Decision No. 83666

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
)
 CALIFORNIA CITIES WATER COMPANY,)
 a California corporation,)
)
 For authority to issue a promissory)
 note in the amount of \$49,000 in)
 payment for water rights purchased in)
 the Main San Gabriel Basin.)

Application No. 55237
 (Filed October 4, 1974)

O P I N I O N

California Cities Water Company seeks authority to
 issue an unsecured promissory note in the principal amount of
 \$49,000.

Applicant is a California corporation operating public
 utility water systems in the Counties of Lake, Los Angeles,
 Orange, San Bernardino, San Luis Obispo and Santa Barbara. For
 the seven months ended July 31, 1974, it reports operating revenues
 and net income in the respective amounts of \$1,239,537 and \$60,263.

The company proposes to purchase from Namimatsu Farms, Inc.
 certain water rights in the Main San Gabriel Basin for a total
 purchase price of \$49,000, which amount would be evidenced by an
 unsecured promissory note repayable \$7,500 in 1974 and \$8,300
 annually for the next five years, with interest at the rate
 of 5% per annum on the unpaid balance.

The application indicates that the proposed purchase
 would directly benefit the utility's customers in that it would
 represent approximately 3% of the San Dimas District water
 requirement.

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. California Cities Water Company, on or after the effective date hereof and on or before December 31, 1974, for the purpose set forth in the application, may issue a promissory note in the principal amount of not exceeding \$49,000, which note shall be in substantially the same form as that attached to the application.
2. California Cities 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 California Cities Water Company has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$98.

Dated at San Francisco, California, this 29th day of October, 1974.

Vernon L. Sturgeon
President
William Synovet, Jr.
Paul Quinn
Robert E. McLeod
Commissioners

