

Decision No. 85105

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)

DOMINGUEZ WATER CORPORATION,
a California corporation,)Application No. 56029
(Filed October 28, 1975)for authorization to issue and sell)
not exceeding \$1,600,000 aggregate)
principal amount of its First)
Mortgage Series G 10% Bonds of)
1995 and to execute and deliver a)
Seventh Supplemental Indenture.)O P I N I O N

Dominguez Water Corporation seeks authority to execute and deliver a supplemental indenture, and to issue, sell and deliver not exceeding \$1,600,000 aggregate principal amount of its first mortgage bonds.

Applicant is a California corporation providing public utility water service in Los Angeles County. For the year 1974 it reported operating revenues and net income in the respective amounts of \$4,318,381 and \$293,182. The utility's capitalization ratios at June 30, 1975, and as adjusted to give effect to the proposed bond issue, are summarized from the application, as follows:

	June 30, 1975	Pro forma
Long-term debt	48.49%	53.69%
Preferred stock	5.81	6.12
Common stock equity	44.70	40.19
Total	<u>100.00%</u>	<u>100.00%</u>

The proposed bond issue would be designated First Mortgage Series G 10% Bonds of 1995, and would be secured by an existing indenture as heretofore supplemented and amended and as further supplemented and amended by a proposed Seventh Supplemental Trust Indenture. A ten-year restricted redemption provision would apply to the proposed bond issue.

The company proposes to sell the bonds to Pacific Mutual Life Insurance Company at their principal amounts plus accrued interest, pursuant to the terms of a Bond Purchase Agreement. The net proceeds, exclusive of accrued interest, would be used to retire outstanding bank loans incurred for the construction, completion, extension or improvement of applicant's facilities, and to pay at maturity \$355,000 aggregate principal amount of applicant's Series B 4% Bonds of 1976, with any remainder to be used for capital purposes permitted by Section 817(a) and (b) of the Public Utilities Code. Accrued interest would be used for the foregoing purposes or for general corporate purposes.

After consideration the Commission finds that:

1. The proposed bonds would be for proper purposes.
2. Applicant has need for external funds for the purposes set forth in the application.
3. The proposed restricted redemption provision is reasonable.
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, except as otherwise authorized for accrued interest, 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 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.

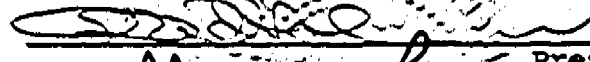
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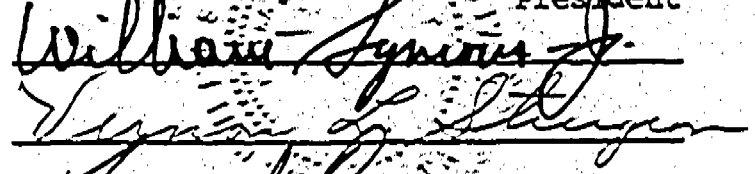
IT IS ORDERED that:

1. Dominguez Water Corporation may execute and deliver a Seventh Supplemental Trust Indenture in substantially the same form as that attached to the application as Exhibit C.
2. Dominguez Water Corporation, for the purposes specified in this proceeding, may issue, sell and deliver not exceeding \$1,600,000 aggregate principal amount of its First Mortgage Series G 10% Bonds of 1995 substantially in accordance with the provisions of a Bond Purchase Agreement, a copy of which is attached to the application as Exhibit D.
3. Dominguez Water Corporation 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.

4. This order shall become effective when Dominguez Water Corporation has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$2,245.

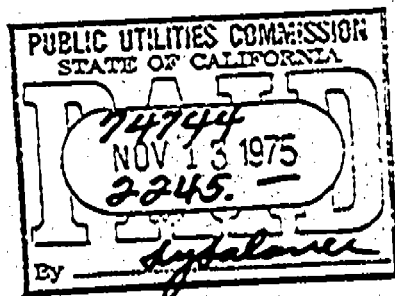
Dated at San Francisco, California, this 12th
day of NOVEMBER, 1975.



President


Leonard R. ...

Commissioners



Commissioner Robert Batinevich, being necessarily absent, did not participate in the disposition of this proceeding.