

ORIGINALDecision No. 86530

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of ARROWHEAD UTILITY)
 COMPANY, a California corporation,)
 to issue a \$801,651 promissory)
 note.)

Application No. 56761
 (Filed September 20, 1976)

O P I N I O N

Arrowhead Utility Company seeks authority to issue a promissory note in the principal amount of \$801,651.

Applicant is a California corporation rendering public utility water service in and around the mountain communities of Lake Arrowhead and Cedar Glen in San Bernardino County. At June 30, 1976, its reported common stock equity amounted to \$1,636,374.

In order to reimburse its treasury for capital expenditures, applicant proposes to issue a note in favor of its parent company, Boise Cascade Home & Land Corporation, in the principal amount of \$801,651. The note would bear interest at the rate of 8% per annum and would mature in five years. Said capital expenditures are summarized from Exhibit B attached to the application, as follows:

Buildings	\$256,156
Pumping equipment	326,016
Water treatment equipment	31,049
Transmission mains	163,008
Main extension refunds	<u>25,422</u>
Total	<u>\$801,651</u>

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, which purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income.
3. There is no known opposition and there is no reason to delay granting the relief requested.

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

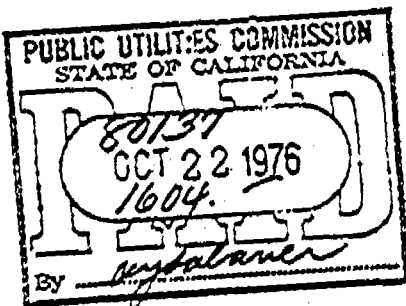
IT IS ORDERED that:

1. Arrowhead Utility Company, on or after the effective date hereof and on or before December 31, 1976, for the purpose set forth in the application, may issue a note in the principal amount of not exceeding \$801,651, which note shall be in substantially the same form as Exhibit C attached to the application.

2. Arrowhead Utility 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 Arrowhead Utility Company has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$1,604.

Dated at San Francisco, California, this 19th day of OCTOBER, 1976.



[Signature] President
William J. [Signature]
[Signature]
[Signature] Commissioners

Commissioner Vernon L. Sturgeon, being necessarily absent, did not participate in the disposition of this proceeding.