

WATER/RIIG

Decision 98-10-017 October 8, 1998

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
SOUTHERN CALIFORNIA WATER COMPANY)
U-133-M, to issue, sell and deliver its Common)
Shares, \$2.50 par value, and one or more series)
of Debt Securities, the total aggregate principal)
amount of such offerings not to exceed \$60,000,000;)
to execute and deliver one or more Indenture(s))
and/or Supplemental Indenture(s) and/or Loan)
Agreement(s); to seek modification of Decision No.)
94-11-056; and for an exemption from the)
Commission's Competitive Bidding Rule.)
_____)

ORIGINAL

Application 96-07-015
Petition for Modification
(filed August 21, 1998)

SUPPLEMENTAL OPINION

Summary of Decision

This decision grants Southern California Water Company (SCW) the authority requested in its Petition for Modification of Decision (D.) 96-09-059 (Petition).

Notice of the filing of the Petition appeared on the Commission's Daily Calendar of August 26, 1998. No protests have been received.

Pursuant to Rule 47 of the Commission's Rules of Practice and Procedure, SCW seeks to have an extension of the expiration date of D.96-09-059 from December 31, 1998 to December 31, 2001.

Background

SCW, a California corporation, operates as a public utility subject to the jurisdiction of this Commission. SCW provides water service to customers in portions of 10 California counties and electric service in the vicinity of Big Bear Lake in San Bernardino County.

D.96-09-059 dated September 20, 1996, in Application (A.) 96-07-015, authorized SCW among other things, to sell a combination of Equity Securities, bonds, debentures, and unsecured notes (Debt Securities) up to an aggregate principal amount of \$60,000,000.

The notes may be issued under a Medium Term Note (MTN) Program and may be offered on a continuous or periodic basis and may be sold privately or publicly. The MTN Program may be issued in one or more series under the terms of a supplemental indenture and may be subject to redemption prior to maturity at the option of SCW.

Modification Sought

SCW seeks to extend the authorization in D.96-09-059 until December 31, 2001. SCW states in the Petition that it has been able to utilize its short-term bank lines-of-credit as well as timing issuance under its existing Series B MTN Program to support its capital needs. The Series B MTN Program was for issuance of debt up to \$45,000,000 in principal and the entire amount has now been issued and is outstanding.

SCW has \$21,000,000 in short-term bank debt outstanding and anticipates issuing long-term debt under its Series C MTN Program. SCW believes that this procedure is consistent with its normal capital financing activities. Inasmuch as the authority under D.96-09-059 will expire on December 31, 1998, SCW anticipates that it will require the additional time requested in this Petition to issue, sell, and deliver Debt Securities commensurate with its overall capital requirements and as market conditions dictate.

Use of Proceeds

We note herein that as indicated in D.96-09-059, the proceeds would be used by SCW for the retirement and discharge of all or a portion of its outstanding short-term bank loans. Any balance would be used for the reimbursement of SCW for capital expenditures in 1996, 1997, and 1998, for the acquisition of utility properties, refunding of existing long-term obligations, and payment of expected cash requirements.

As required under D.96-09-059, we expect SCW to apprise the Commission pursuant to General Order (G.O.) Series 24, on the receipts and disbursements arising under this authorization extending the effective date.

Findings of Fact

1. The proposed extension of time to December 31, 2001, during which SCW may issue Equity and Debt Securities under the authority granted in D.96-09-059 would be for proper purposes and would not be adverse to the public interest.

2. D.96-09-059 required SCW to file on or before the 25th day of each month, the reports required by G.O. Series 24.

3. Notice of the filing of the Petition appeared on the Commission's Daily Calendar of August 26, 1998. There is no known opposition to the Petition, and the authority requested should be granted.

Conclusions of Law

1. A public hearing is not necessary.
2. The Petition should be granted to the extent set forth in the order which follows.
3. The following order should be effective on the date of signature.

SUPPLEMENTAL ORDER

IT IS ORDERED that:

1. The authority granted to Southern California Water Company by Decision (D.) 96-09-059 in Application (A.) 96-07-015, is modified to extend the period of authorization to December 31, 2001.
2. The Petition is granted as set forth above.
3. In all other respects, D.96-09-059 remains in full force and effect.

4. A.96-07-015 is closed.

This supplemental order is effective today.

Dated October 8, 1998, at Laguna Hills, California.

RICHARD A. BILAS

President

P. GREGORY CONLON

JESSIE J. KNIGHT, JR.

HENRY M. DUQUE

JOSIAH L. NEEPER

Commissioners