

IBM

Decision No. 20164.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
CALIFORNIA WATER SERVICE COMPANY,)
a corporation, for an order authoriz-) Application No. 14819
ing applicant to issue and sell bonds,)
preferred stock and common stock.)

ORIGINAL

McCutchen, Olney, Mannon & Greene,
by J. D. Adams, for applicant.

BY THE COMMISSION:

O P I N I O N

California Water Service Company has applied to the Railroad Commission for permission to issue and sell \$550,000.00 of its first mortgage five percent bonds, series "A", due April 1, 1958, \$190,000.00 of its six percent cumulative preferred stock and \$190,000.00 of its common stock for the purpose of paying indebtedness, reimbursing its treasury and financing the cost of additions to and betterments of its plants and properties.

Heretofore, under authority granted by the Commission in orders on Application No. 13514, the company issued \$6,254,000.00 of first mortgage five percent bonds, series "A", \$2,130,600.00 of six percent preferred stock, \$2,130,700.00 of common stock and a five year note for \$673,778.00 and acquired water plants and properties operating in and about the cities or towns of Redding, Chico, Oroville, Willows, Dixon, Petaluma, Port Costa, Concord, Livermore, Stockton, Fresno, Bakersfield, Visalia, Hermosa Beach,

Redondo Beach and Belvedere. It now reports that prior to May 1, 1928, it expended for the construction of additions, betterments and improvements, the sum of \$409,344.70 which has not been paid or provided through the issue of securities. It estimates its expenditures for additions and betterments for the remainder of the year at \$496,905.18. The items making up the two amounts are set forth in detail in Exhibits "1" and "2" attached to the applications.

In seeking authority to finance these expenditures the company asks permission to sell its bonds at 92, its preferred stock at 91 and its common stock at 100, and to use the proceeds to pay a short term six percent note for \$300,000.00 and to reimburse its treasury on account of the expenditures heretofore made and to pay the cost of its estimated expenditures.

ORDER

California Water Service Company, having applied to the Railroad Commission for permission to issue stock and bonds, a public hearing having been held before Examiner Bankhauser and the Railroad Commission being of the opinion that the money, property or labor to be procured or paid for through such issue and sale is reasonably required for the purposes specified herein, which purposes are not, in whole or in part, reasonably chargeable to operating expense or to income,

IT IS HEREBY ORDERED that California Water Service Company be, and it hereby is, authorized to issue and sell, on or before December 31, 1928, \$550,000.00 of its first mortgage five percent bonds, series "A", \$190,000.00 of its six percent cumulative preferred stock and \$190,000.00 of its common stock.

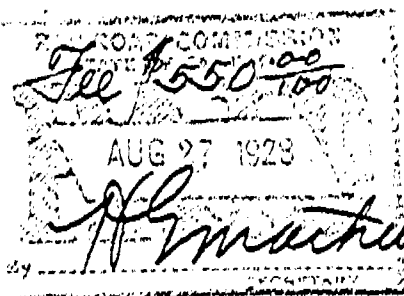
The authority herein granted is subject to the following conditions:-

(1) Applicant shall sell the bonds herein authorized to be issued and sold at not less than 92 percent of face value plus accrued interest, the preferred stock at not less than 91 percent of par value and the common stock at not less than par, and use not exceeding \$409,344.70 of the proceeds to pay outstanding indebtedness and to reimburse its treasury on account of the expenditures for additions and betterments made prior to May 1, 1928 and use the remaining proceeds to finance in part the expenditures for additions and betterments made or to be made during the period from May 1, 1928 to December 31, 1928 and referred to in Exhibits "1" and "2".

(2) Applicant shall keep such record of the issue and sale of the stock and bonds herein authorized, and of the disposition of the proceeds as will enable it to file on or before the 25th day of each month, a verified report, as required by the Railroad Commission's General Order No. 24, which order insofar as applicable, is made a part of this order.

(3) The authority herein granted to issue stock shall become effective upon the date hereof and the authority to issue bonds when applicant has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is \$550.00.

DATED at San Francisco, California, this 24th day of August, 1928.



du - 25750

C. J. Seaver

W. D. L. L...

W. J. C...
Commissioners.