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Decision No. 10541.

BEFORE THE RAILROAD COMMISSION OF
THE STATE OF CALIFORNIA

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ORIGINAL

In the Matter of the Application of)
WESTERN WATER COMPANY,)
a corporation, for an order authori-)
zing the issuance of \$300,000.00 par)
value of its common capital stock.)

Application No. 7614

Chickering & Gregory, by Allen L. Chickering,
for applicant.

BENEDICT, Commissioner.

O P I N I O N

WESTERN WATER COMPANY asks the Railroad Commission to make an order authorizing it to issue \$300,000.00 of its common capital stock to reimburse its treasury on account of earnings expended for additions and betterments and to distribute such stock as a dividend to its stockholders.

Applicant has an authorized stock issue of \$1,000,000. Of this amount, \$400,000.00 is reported as issued and was outstanding on March 31, 1922. Applicant has no bonded indebtedness. Its notes payable are reported at \$50,000.00 and its accounts payable at \$46,869.17.

As of March 31, 1922, applicant in its Exhibit No. 1 reports assets and liabilities as follows:-

ASSETS:

Fixed Capital,	\$1,101,826.44
Cash,	34,672.41
Accounts Receivable,	57,390.54
Other Current Assets,	<u>113,905.38</u>

TOTAL ASSETS. . . \$1,307,794.77

LIABILITIES:

Stock Outstanding,	\$ 400,000.00
Notes Payable,	50,000.00
Accounts Payable,	46,869.17
Guaranteed Deposits,	4,060.00
Accrued Interest not due,	704.90
Reserve for Accrued Depreciation,	423,622.61
Corporate Surplus,	<u>382,538.09</u>

Total Liabilities, . . . \$1,307,794.77

The corporate surplus includes \$5,000.00 representing appreciation in the value of the assets.

As of March 31, 1922, applicant reports a reserve for accrued depreciation of \$423,622.61 and surplus earnings unappropriated of \$377,538.09. All of the moneys represented by the reserve for accrued depreciation and by the unappropriated surplus are invested in applicant's properties. The amount of stock which applicant intends to issue is less than its unappropriated surplus and will not result in the capitalization of any properties acquired or constructed through the investment of moneys represented by the reserve for accrued depreciation. The evidence shows that applicant has expended from earnings for plant additions and betterments, an amount in excess of \$300,000.00. The Commission may, therefore, properly authorize applicant to issue stock for the purpose of reimbursing its treasury.

I herewith submit the following form of Order:

O R D E R.

WESTERN WATER COMPANY having applied to the Railroad Commission for permission to issue \$300,000.00 of its common capital stock, a public hearing having been held and the Commission being of the opinion that the money, property or labor to be procured or paid for through the issue of stock is reasonably required by applicant and that this application should be granted subject to the conditions of this order;

IT IS HEREBY ORDERED, that WESTERN WATER COMPANY be,

and it is hereby, authorized to issue for the purpose of reimbursing its treasury on account of surplus earnings expended for additions and betterments, \$300,000.00 of its common capital stock, such stock to be issued at not less than its par value and distributed to its present stockholders according to law.

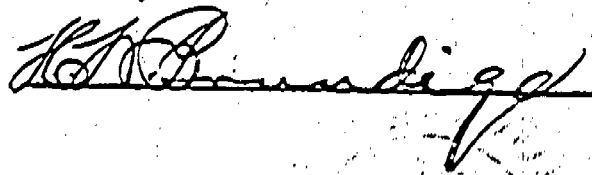
The authority herein granted is subject to further conditions as follows:

1.--Western Water Company shall keep such record of the issue and distribution of the stock 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 in so far as applicable is made a part of this order.

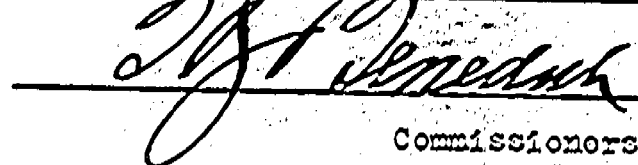
2.--The authority herein granted will apply only to such stock as may be issued and delivered on or before November 1, 1922.

The foregoing Opinion and Order are hereby approved and ordered filed as the Opinion and Order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 7th day of June, 1922.







Commissioners.