

Decision No. 28278

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
CALIFORNIA WATER SERVICE COMPANY,
a corporation, for (1) Order author-
izing acquisition of stocks and bonds
of certain public utilities. (2) Joint-
ly with Pacific Water Company, a cor-
poration, San Carlos Water Company,
a corporation, and Los Altos Water Co.,
a corporation, for order authorizing
purchase and sale of certain public
utility properties. (3) Order auth-
orizing mortgage of public utility
properties. (4) Order authoriz-
ing issue and sale of bonds and stock.)

Application No. 17509

ORIGINAL

BY THE COMMISSION:

FOURTH SUPPLEMENTAL ORDER

California Water Service Company by Decision No. 24031, dated September 14, 1931, as amended, was authorized, among other things, to issue and sell at not less than \$90. per share, 470 shares (\$47,000. par value) of its six percent. cumulative preferred stock, provided that the proceeds received from such issue and sale be deposited in a special bank account and withdrawn only for such purposes as may be permitted by the Commission.

In a supplemental petition filed in the above entitled matter on October 9, 1935, the company reports that on September 30, 1935 it sold said 470 shares of preferred stock at \$94. net and deposited the proceeds of \$44,180.00 in a special account with the American Trust Company. It now asks permission to use said proceeds to reimburse its treasury in part for expenditures for additions and betterments heretofore made but not previously financed through the issue of securities.

In support of its request the company sets forth in Exhibit A attached to said supplemental petition, that during the period from January 1, 1931 to August 31, 1935 its net additions to fixed capital

which normally might be made the basis for the issue of securities aggregated \$852,980.88. In its financial statement filed with the Commission it reports its accumulated earned surplus as of August 31, 1935 at \$328,241.40 and it clearly appears that during the period referred to the company has had surplus earnings well in excess of \$44,180. which have been invested in its properties and assets. We believe that applicant's request should be granted. It should be understood, however, that the granting of such request is not a finding that the company should be permitted to finance the entire sum of \$852,980.88 through the issue of securities.

The aforesaid Decision No. 24031, as amended, also authorized California Water Service Company to issue and sell at not less than par, \$47,000. of common stock on or before November 15, 1935. The company reports that it will be unable to dispose of such stock prior to that date and accordingly requests an extension of time to November 15, 1936 to issue and sell it. This request will also be granted.

The Commission is of the opinion that a public hearing is not necessary in the supplemental petition, that the expenditures to be paid or financed through the use of the proceeds of \$44,180. are reasonably required by applicant for the purpose specified herein and that such expenditures are not in whole or in part reasonably chargeable to operating expenses or to income, therefore,

IT IS HEREBY ORDERED that California Water Service Company be, and it hereby is, authorized to use \$44,180. received through the issue and sale of the \$47,000. of six percent. cumulative preferred stock authorized by Decision No. 24031, dated September 14, 1931, as amended, to reimburse its treasury and to finance in part expenditures for additions to its plants and properties made prior to August 31, 1935, provided that only such expenditures as are reasonably and properly chargeable to fixed capital account as defined in the uniform classification of accounts for water corporations

prescribed by the Railroad Commission may be so financed.

IT IS HEREBY FURTHER ORDERED that the time within which California Water Service Company may issue and sell the \$47,000. of common stock authorized by Decision No. 24031, dated September 14, 1931, as amended, be, and it hereby is, extended to and including November 15, 1936.

IT IS HEREBY FURTHER ORDERED that the order in Decision No. 24031, dated September 14, 1931, as amended, shall remain in full force and effect, except as modified by this Fourth Supplemental Order.

IT IS HEREBY FURTHER ORDERED that the authority herein granted will become effective upon the date hereof.

DATED at San Francisco, California, this 14th day of October, 1935.

Leon O'Whalley

M. A. Carr

M. B. Harris

W. H. [unclear]

Frank R. [unclear]

Commissioners.