

ORIGINAL

Decision No. 32161

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
CALIFORNIA WATER & TELEPHONE COMPANY, } Application No. 22823
to issue and sell stocks and bonds. }

BY THE COMMISSION:

FIRST SUPPLEMENTAL ORDER

By Decision No. 32161, dated July 11, 1939, the Railroad Commission authorized California Water & Telephone Company, among other things, to issue and sell, on or before December 1, 1939, at not less than 94% of its par value and accrued dividends, \$700,000 par value of its 6% cumulative preferred stock, subject to the condition, among others, as follows:

"California Water & Telephone Company may use not exceeding \$226,000. of the proceeds realized from the sale of said preferred stock to pay the premiums on its outstanding bonds, and not exceeding \$35,000. of said proceeds to pay the expenses incident to the sale of the bonds and preferred stock herein authorized. The remainder of said proceeds shall be deposited in a special fund and expended only for such purposes as the Commission will authorize by a supplemental order or orders."

The Company reports that it has sold its preferred stock, as authorized, at 94% of par value, receiving therefrom \$658,000. and has expended the amounts permitted for premiums and expenses incident to the sale of bonds and stock, leaving a balance of \$397,000. which it has deposited in a special fund.

It now asks permission, in a supplemental petition filed on September 25, 1939, to withdraw these remaining proceeds to finance the cost of additions and betterments to its plants and properties. It reports that a study of its present needs and requirements shows that it will be called upon to make expenditures within the next 12 months, of \$417,985. for additions and betterments as follows:

<u>Items</u>	<u>Estimated Cost</u>
<u>I WATER DEPARTMENT</u>	
<u>SAN DIEGO BAY DIVISION:</u>	
Miscellaneous Main Extensions-Coronado	\$ 4,800
Miscellaneous Main Extensions-Sweetwater	8,400
Hydrants-Coronado	600
Hydrants-Sweetwater	1,200
Services-Coronado	4,200
Services-Sweetwater	6,600
Meters-Coronado	2,400
Meters-Sweetwater	3,000
C. C. Villas Tank	435
Chlorinator House Sweetwater Dam	2,075
Cross Connection between Transmission Mains	9,630
Replacement of Distribution Mains	12,830
Office Equipment	1,640
Shop Equipment	3,500
Frostless Acres Well	375
New Spillway Sweetwater Dam	<u>10,000</u>
Total San Diego Bay Division	\$71,685
<u>MONTEREY PENINSULA DIVISION:</u>	
Lakeside Extension	\$12,800
Pumping Equipment	1,150
Miscellaneous Extensions and Replacements	14,000
Replacement of Transmission Mains	33,250
Cabin San Clemente Dam	1,500
Protection Transmission Main-San Clemente Dam	700
Meters	3,900
Services	8,100
Tools and Equipment	<u>2,600</u>
Total Monterey Peninsula Division	\$78,000
<u>SAN GABRIEL VALLEY DIVISION:</u>	
Services	\$ 7,300
Meters	5,000
Extension and Replacement of Pipe Lines	37,900
New Roof Reservoir No. 2	12,600
Elevated Tank Howland System	11,100
Office Equipment	4,100
Tools and Equipment	<u>700</u>
Total San Gabriel Valley Division	<u>\$78,700</u>
TOTAL WATER DEPARTMENT	<u>\$228,385</u>

<u>Items</u>	<u>Estimated Cost</u>
<u>II TELEPHONE DEPARTMENT</u>	
Misc. Line extensions and replacements, Station Apparatus, P.E.X. Equipment, etc.	\$ 80,000
Conversion of Sierra Madre Exchange to Dial	68,000
Sepulveda Dial Conversion	15,000
Redlands Dial Conversion - Additional	4,755
Elsinore Conversion to Common Battery	1,845
Cable Extensions & Replacements	<u>20,000</u>
Total Telephone Department	\$189,600
TOTAL COMPANY	\$417,985

The Commission has considered this matter and is of the opinion that the request of applicant should be granted, as herein provided, therefore,

IT IS HEREBY ORDERED, that California Water & Telephone Company be, and it hereby is authorized to use \$397,000 of the proceeds received through the issue and sale of the preferred stock authorized by Decision No. 32161, dated July 11, 1939, to finance in part the cost of the additions and betterments referred to herein, provided,

1. That only such expenditures as are reasonably chargeable to capital accounts, as defined in the uniform systems of accounts prescribed or adopted by this Commission, may be financed with such proceeds.
2. That applicant shall file with the Commission monthly reports, on or before the 25th day of each month, showing in some detail the expenditures financed with the proceeds from the issue and sale of its preferred stock under the authority herein granted.
3. That the Commission reserves the right to such further order as it may deem proper, with respect to the

accounting by applicant for such expenditures; and

4. That the authority herein granted shall become effective upon the date hereof.

DATED at San Francisco, California, this 3rd day of October, 1939.

Robert A. ...
Frank ...
Ray ...
H. ...
Justin D. ...
COMMISSIONERS