

ORIGINAL

Decision No. 43307

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application  
of MIDWICK WATER COMPANY for an  
Order Authorizing Issue and Sale  
of Stock.

Application  
No. 30596

OPINION AND ORDER

This is an application by Midwick Water Company for an order of the Public Utilities Commission authorizing it to issue and sell, for cash, at \$100 a share, 360 shares of its common stock for the purpose of financing the cost of additions and betterments, of paying indebtedness and of providing working capital.

Applicant was organized on or about May 20, 1946 and since that time has been engaged in constructing and operating a public utility water system providing and supplying water to consumers in the tract of land in Los Angeles County known as Midwick Country Club. The present application shows that up to June 30, 1949, it had invested \$181,590.36 in fixed capital and that it has issued, pursuant to authority heretofore granted by the Commission, 1,740 shares of stock, for \$174,000. Applicant's financial reports show its operating revenues, operating expenses and net operating revenues, since the inception of its business, as follows:

	<u>Operating Revenues</u>	<u>Operating Expenses</u>	<u>Net</u>
1947	\$ 7,587.91	\$ 7,304.40	\$ 283.51
1948	10,430.22	15,677.59	(5,247.37)
1949 (to June 30)	5,726.63	9,121.38	(3,394.75)

Applicant now reports that it is necessary to obtain additional funds from the issue of common stock to finance the cost of additions and betterments necessary to provide facilities for prospective new consumers, to pay indebtedness incurred in the construction of property and to maintain and improve its business and service, as follows:

450 water meters and fittings	\$13,500.00
450 water meters installed	4,500.00
450 water meter boxes	675.00
Due Midwick Development Company for construction of a combination office and superintendent's house, garage and storage room	10,613.98
Additional working capital	<u>6,711.02</u>
Total	<u>\$36,000.00</u>

The Commission has considered the request of applicant to issue and sell 360 shares of stock for the foregoing purposes and is of the opinion that a public hearing on this matter is not necessary, that the request of applicant should be granted, as herein provided, that the money, property or labor to be procured or paid for through the issue of said shares of stock is reasonably required by applicant for the purposes specified herein, and that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

1. Midwick Water Company, after the effective date hereof and on or before December 31, 1949, may issue and sell at not less than \$100 a share, not exceeding 360 shares of its common stock and use the proceeds for the purposes indicated herein.

2. Midwick Water Company shall file with the Commission a report, or reports, as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

3. The authority herein granted will become effective twenty (20) days from the date hereof.

Dated at Los Angeles, California, this 20<sup>th</sup> day of September 1949.

R. E. Zimmerman  
Justin J. Calmes  
Harold P. Kula  
Kenneth Lott  
Commissioners