

ORIGINAL

Decision No. 47750

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 :  
 SAN JOSE WATER WORKS, )  
 a corporation, :  
 :  
 for an order authorizing it to issue :  
 an additional amount of its convertible )  
 preferred stock and common stock upon :  
 conversion. :  
 ----- )  
 :

Application  
 No. 33681  
 (First Supplemental)

FIRST SUPPLEMENTAL ORDER

By Decision No. 47685, dated September 16, 1952, the Commission exempted from competitive bidding a proposed issue by San Jose Water Works of 41,000 shares of Cumulative Convertible Preferred Stock, Series C, and authorized applicant to issue and sell said shares at a price to be fixed in a supplemental order.

The shares of stock will be convertible into shares of common stock only up to and including September 30, 1962. Applicant has eliminated the word convertible from the name of the shares and now reports that it has designated said shares as Cumulative Preferred Stock, Series C. In a first supplemental application filed in this proceeding on September 29, 1952, it asks permission to sell them at a price of \$25.45 a share. It reports that said shares will carry a dividend rate of 4.7% and will be convertible into shares of common stock on the basis of one share of preferred for 0.80 shares of common stock up to and including September 30, 1957, and at one share of preferred for 0.7571 shares of common stock thereafter and up to and including

September 30, 1962. Applicant may redeem said shares of preferred stock, in whole or in part, on any dividend date on at least thirty days' prior notice, at a redemption price equal to \$27.50 a share from date of issue to and including September 1, 1957, at \$27.00 a share from September 2, 1957, to and including September 1, 1962, at \$26.50 a share from September 2, 1962, to and including September 1, 1967, and at \$26.25 a share thereafter, together with accrued dividends in each case.

Applicant also asks for authorization to issue shares of its common stock from time to time in exchange for such shares of preferred stock as may be surrendered for conversion.

The Commission has considered applicant's requests and is of the opinion that they should be granted; therefore,

IT IS HEREBY ORDERED as follows:

1. Paragraph 1 of the order in Decision No. 47685, dated September 16, 1952, hereby is amended to read as follows:

1. The issue and sale of 41,000 shares of Cumulative Preferred Stock, Series C, by San Jose Water Works hereby is exempted from the Commission's competitive bidding rule set forth in Decision No. 38614, dated January 15, 1946.

2. San Jose Water Works, after the effective date hereof and on or before December 31, 1952, may issue and sell said 41,000 shares of Cumulative Preferred Stock, Series C, authorized by said Decision No. 47685, at not less than \$25.45 a share, and may issue from time to time shares of its common stock to persons who shall surrender in exchange therefor shares of its Cumulative Preferred Stock, Series C, such exchange to be made

upon the basis of the conversion prices established by the certificate of determination of preferences filed in this proceeding.

3. The authority herein granted will become effective upon the date hereof.

Dated at San Francisco, California, this 30<sup>th</sup> day of September, 1952.

*R. J. [Signature]*  
President

*Harold [Signature]*

*[Signature]*

Commissioners