

ORIGINAL

Decision No. 49235

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. 34716)
(First Supplemental)

FIRST SUPPLEMENTAL ORDER

By Decision No. 49219, dated October 20, 1953, the Commission exempted from competitive bidding a proposed issue by San Jose Water Works of 40,000 shares of Cumulative Preferred Stock, Series D, and authorized applicant to issue and sell said shares at a price to be fixed in a supplemental order.

In a first supplemental application filed in this proceeding on October 26, 1953, applicant asks permission to sell said 40,000 shares at a price of \$25.45 a share. It reports that the shares will carry a dividend rate of 4.7% and, subject to future adjustments, will be convertible into shares of common stock at the rate of one share of preferred for 0.80 shares of common stock from January 1, 1954, up to and including December 31, 1958, and at one share of preferred for 0.7571 shares of common stock thereafter and up to and including December 31, 1963, at which time the conversion right will end. Applicant may redeem said shares of preferred stock, in whole or in part, on any dividend date on at least 30 days' prior notice, at a redemption price equal to \$27.50 a share from date of issue to and including December 31, 1958, at \$27.00 a share from January 1, 1959, to and including December 31, 1963, at \$26.50 a

share from January 1, 1964, to and including December 31, 1968, 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 the money, property or labor to be procured or paid for by the issue of said shares of preferred and common stock is reasonably required for the purposes specified in this application, that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income, and that an order should be entered granting applicant's requests; therefore,

IT IS HEREBY ORDERED as follows:

1. San Jose Water Works, after the effective date hereof and on or before February 28, 1954, may issue and sell the 40,000 shares of Cumulative Preferred Stock, Series D, authorized by said Decision No. 49219, 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 D, such exchange to be made upon the basis of the conversion prices applicable to said shares of Cumulative Preferred Stock, Series D.

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

Dated at Los Angeles, California, this 27th day of October, 1953.

A. F. Johnson
President

Justin J. Cassel

Samuel J. Patten

John E. McMillin

Gene Rogers
Commissioners