

**ORIGINAL**

Decision No. 49670

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application	)	
of CITIZENS UTILITIES COMPANY OF	:	Application
CALIFORNIA, a corporation, for	)	No. 35111
Authority to Issue 9250 common	:	
shares.	)	
-----	:	

OPINION AND ORDER

Citizens Utilities Company of California has filed this application for authorization to issue 9,250 shares of its common stock, without nominal or par value, for the purpose of replacing or refunding \$925,000 of outstanding indebtedness.

Applicant is a wholly-owned subsidiary of Citizens Utilities Company, a Delaware corporation. According to its application it has financed itself, in general, with moneys obtained from its parent corporation and represented by notes, advances and shares of stock. Its capital structure, including surplus, as of November 30, 1953, is reported as follows:

Debt -		
3½% notes to Citizens Utilities Company		\$1,325,000.00
Advances on open account		932,000.00
	Total debt	<u>2,257,000.00</u>
Preferred stock -		
5½% Cumulative First Preferred Stock		1,000,000.00
Equity -		
Common stock, no par value		500,000.00
Surplus		1,005,000.00
	Total equity	<u>1,505,000.00</u>
	Total	<u>\$4,762,000.00</u>

The application shows that the parent company has indicated its willingness to accept 9,250 shares of applicant's common stock at \$100 a share in payment of \$925,000 of advances on open account. It is reported that such advances were used to meet construction costs and no part of the \$925,000 represents accrued and unpaid interest.

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

IT IS HEREBY ORDERED as follows:

1. Citizens Utilities Company of California may issue 9,250 shares of its common stock, on or before August 31, 1954, in payment of indebtedness of \$925,000.
2. Applicant 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 upon the date hereof.

Dated at San Francisco, California, this 16<sup>th</sup> day of February, 1954.

*R. E. Montgomery*  
President

*Justin J. Calmes*

*Samuel Pottel*

*W. E. Mitchell*

*James Deegan*  
Commissioners