

ORIGINAL

Decision No. 51117

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
OCEANO WATER COMPANY)
for a permit to issue and sell)
its stock.)
-----)

Application
No. 36655

OPINION AND ORDER

Oceano Water Company, applicant herein, is a California corporation organized on December 13, 1951, with an authorized capital stock of 1,000 shares without par value. In this proceeding it seeks authorization to issue 400 shares in payment of outstanding indebtedness of \$40,000.

Under authorization granted by Decision No. 46944, dated April 14, 1952, applicant acquired a small public utility water system serving approximately 75 customers in and about the Town of Oceano, in San Luis Obispo County. The records of the Commission show that applicant paid \$8,000 for the property, that it took possession of the system on May 5, 1952, and that it has operated the business continuously since that date. According to the present application it has expanded the operations and has increased its total investment in fixed capital and current assets to \$133,262.86 up to June 30, 1954.

Although organized in 1951, applicant has not as yet issued any of its shares of stock. It has financed its investment almost entirely with moneys advanced by its incorporators, which advances aggregate \$132,185.87. It now proposes to capitalize \$40,000 of the advances permanently through the issue of the shares of stock covered by this application.

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,

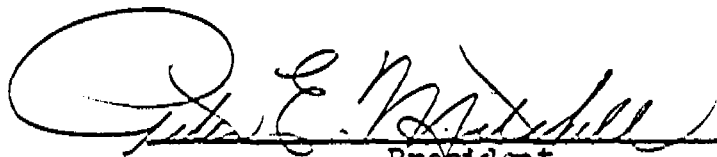
IT IS HEREBY ORDERED as follows:

1. Oceano Water Company may issue not exceeding 400 shares of stock on or before June 30, 1955, at \$100 a share, for the purpose of liquidating outstanding indebtedness of \$40,000.

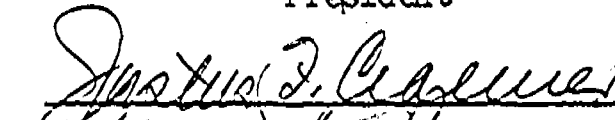
2. Applicant shall file with the Commission a report, or reports, as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.


3. The authority herein granted will become effective 20 days after the date hereof.

Dated at San Francisco, California, this 23rd day of February, 1955.



President





Commissioners