

Decision No. 51401

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of PALM SPRINGS )  
WATER COMPANY for authority :  
to issue preferred stock. )  
----- :  
:

Application  
No. 36864

OPINION AND ORDER

Palm Springs Water Company has filed this application for authorization to issue 487-1/2 shares of its 5% preferred stock, of the aggregate par value of \$48,750, for the purpose of financing the cost of extensions and additions to its water system.

Applicant was organized in 1927 and presently operates a public utility water service in the Palm Springs desert and resort area. It is desirous of extending its operations into a 40-acre subdivision known as Desert Park Estates, which is adjacent to and contiguous with its present facilities. The new subdivision is being developed and, according to information filed with the Commission, will include 105 lots.

To provide water service into the new subdivision applicant has made arrangements to purchase from Noel Clarke, the subdivider, a well site, a well, pump and pump house, and approximately 3,563 feet of 12-inch steel pipe, together with a distributing system and an interconnection with its present lines, at a total cost of \$48,761.40. The subdivider has agreed to accept applicant's preferred stock in lieu of a cash consideration in payment for the properties.

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. Palm Springs Water Company may issue not exceeding 487-1/2 shares of its 5% preferred stock on or before September 30, 1955, at par, for the purpose of financing the acquisition of the properties and facilities referred to in this proceeding.

2. Palm Springs 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 20 days after the date hereof.

Dated at San Francisco, California, this 3<sup>rd</sup> day of MAY, 1955.

John E. Mitchell  
President

Justin J. Callahan

Paul G. Kutzner

Michael Stooler

---

Commissioners