

Series due June 1, 1971

3.60%	Series issued on Sept. 2, 1941	\$5,850,000	
3-1/4%	Series issued on Aug. 31, 1943	900,000	
2-7/8%	Series issued on Feb. 2, 1947	500,000	
2-7/8%	Series issued on May 22, 1947	500,000	
3 %	Series issued on Nov. 28, 1947	1,000,000	
3-1/4%	Series issued on Aug. 16, 1948	<u>1,000,000</u>	\$ 9,750,000

Series due March 1, 1979

3-1/4%	Series issued on Mar. 23, 1949	1,000,000	
3-1/8%	Series issued on June 23, 1949	500,000	
3.10 %	Series issued on Oct. 27, 1949	1,000,000	
3 %	Series issued on Nov. 1, 1950	1,000,000	
3-5/8%	Series issued on Aug. 7, 1951	1,000,000	
3-7/8%	Series issued on Apr. 10, 1952	1,000,000	
3-3/8%	Series issued on Dec. 7, 1954	<u>3,000,000</u>	<u>8,500,000</u>
	Total		<u>\$18,250,000</u>

Applicant reports that it has need for additional funds and that it desires to execute a Fifteenth Supplemental Indenture creating a new series of bonds, to be known as First Mortgage Bonds, 4% Series due 1986, and to sell \$3,000,000 of bonds of this new series. It proposes, and seeks authorization, to use the proceeds for the following purposes:

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|-----|---|--------------------|
| (a) | To pay expenses in connection with the issuance and sale of said bonds | \$ 15,300 |
| (b) | To reimburse applicant's treasury for construction or improvement of its facilities, and not obtained from the sale of evidences of ownership or indebtedness | <u>2,984,700</u> |
| | | <u>\$3,000,000</u> |

With the funds to be received upon such reimbursement, applicant proposes to carry on its 1956 program for the construction, completion, extension and improvement of its facilities. In this connection, it estimates cash requirements for 1956 construction in the amount of \$12,150,000, segregated as follows:

Enlargement, replacement and extension of water distribution and transmission facilities	\$ 929,000
Improvement, replacement and additions to reservoirs and tanks	229,000
Hydrants, meters and service connections	192,000
Additions to central office equipment	3,606,000
Telephone instruments, private branch exchanges and special station apparatus	2,104,000
Aerial and underground cable and wire additions and replacements	4,030,000
Land and buildings	764,000
Office equipment, tools and vehicles	<u>296,000</u>
Total	<u>\$12,150,000</u>

In addition to the first mortgage bonds, applicant has outstanding, as of May 31, 1956, \$2,700,000 of debentures, \$9,146,100 par value of preferred stock and \$16,945,262.50 par value of common stock. At the conclusion of the proposed financing its capital structure will consist of the following:

Bonds	37%
Debentures	5
Preferred stock	16
Common stock equity	<u>42</u>
Total	<u>100%</u>

In financial statements filed with the Commission applicant has reported operating revenues of \$12,651,421 during 1955 and of \$5,613,548 during the first five months of 1956 with net income of \$3,380,278 during the calendar year and \$1,405,551 during the five-month period of the present year, before provision for depreciation of \$1,261,220 in the first of these two periods and of \$599,366 during the second.

It is clear that applicant must look to external sources for funds to meet its construction requirements. From a review of the application we are of the opinion that we are warranted in authorizing applicant to issue and sell its bonds, at this time and under the terms indicated, for the purposes set forth in its application. The approval herein indicated is for the issuance of certain securities only and is not to be construed as indicative of amounts to be included in a future rate base for the purpose of determining just and reasonable rates.

ORDER

The Commission having considered the above-entitled matter and being 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 and sale of the bonds herein authorized is reasonably required by applicant for the purposes specified herein, and that such purposes, except as otherwise authorized, are not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

1. California Water & Telephone Company, on and after the effective date hereof and on or before December 31, 1956, may execute a supplemental indenture dated as of November 1, 1956, in, or substantially in, the same form as that attached to the application as Exhibit D, and may issue and sell \$3,000,000 in principal amount of its First Mortgage Bonds, 4% Series due 1986, for cash at not less than the principal amount plus accrued interest.

2. California Water & Telephone Company shall use the proceeds, exclusive of accrued interest, to be received from the issue and sale of said bonds for the purposes set forth in this application. The accrued interest may be used for said purposes or for general corporate purposes.

3. California Water & Telephone Company shall file with the Commission monthly reports as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

4. Within six months after the issue and sale of said bonds, California Water & Telephone Company shall file with the Commission a statement showing in some detail the expenses incurred by it incident thereto and the account, or accounts, to which such expenses were charged.

5. The authority herein granted will become effective when California Water & Telephone Company has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$2,000.

Dated at San Francisco, California, this 21st day of August, 1956.

President
Justin J. Cullen

Paul J. [unclear]

R. Hardy

Commissioners

