

**ORIGINAL**Decision No. 53802

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of SUBURBAN WATER SYSTEMS, a )  
California corporation, for an )  
order authorizing the issuance )  
and disposal of Class A and )  
Class B Preferred Stock and to )  
amend its Main Extension Rule. )

Application No. 38298

INTERIM OPINION AND ORDER

Suburban Water Systems, presently serving 31,000 consumers in its San Jose Hills, Whittier and Rivera Districts, requests authority to issue additional Class B stock 3 per cent preferred shares for the purpose of reducing its outstanding Refund Agreements with land developers, amend its Rule 15 and over a twelve-month period issue \$290,000 of its Class A cumulative preferred shares for cash.

Applicant has requested that the matter be handled by an ex parte order as soon as possible in order that it might immediately obtain additional capital for the purpose of financing its expansion program. However, the Commission is of the opinion that a hearing should be held for the purpose of inquiring into the requested authority to issue additional Class B stock and the proposed amendment of Rule 15.

Applicant's requested authority to issue Class A stock is for the purpose of repaying refund contracts in the amount of \$50,000, the purchase of mutual water company stocks in the amount

of \$75,000 and to make improvements to the water system in the amount of \$165,000. This portion of the application may be granted without a hearing.

After consideration the Commission is of the opinion that the money, property, or labor to be procured or paid for by the issuance of the stock hereinafter authorized, is reasonably required by the Suburban Water Systems for the purposes herein stated, which purposes are not in whole or in part reasonably chargeable to operating expense or to income, and that this application should be granted to the extent herein provided. The balance of the application will be the subject of a public hearing to be hereinafter held.

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.

Application having been filed and the Commission having been informed in the premises,

IT IS ORDERED:

1. That after the effective date hereof and on or before one year from the said date, Suburban Water Systems may issue and sell \$290,000 of its Class A cumulative preferred shares, at par for cash, for the purposes set forth in the foregoing opinion.

2. That Suburban Water Systems shall file with this 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.

The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 25th day of SEPTEMBER, 1956.

[Signature]  
President

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Commissioners