

**ORIGINAL**

Decision No. 54561

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application

of AZUSA VALLEY WATER COMPANY,  
a corporation,

for authority to issue common  
stock in exchange for property.

Application No. 38797

OPINION AND ORDER

Azusa Valley Water Company has filed this application for authorization to issue 5,285 shares of its common stock in payment for a reservoir. The shares will be issued to The Azusa Irrigating Company, the holder of all of applicant's presently outstanding common stock.

Applicant is engaged in operating a domestic water system in unincorporated sections of Los Angeles County, near the City of Azusa, and in portions of the Cities of Covina and West Covina. The application it now has filed and the testimony heretofore taken in Application No. 37474 show that the company has need for additional reservoir capacity and that it has arranged to acquire the Griffith Reservoir from its parent company at the recorded depreciated cost of \$142,371.87. The reservoir has a capacity of 5,250,000 gallons, is constructed of concrete with a steel and aluminum roof, and is equipped with three electric boosters. It is located on a two-acre site between Gladstone and Arrow Highway and Ben Lomond and Citrus Avenues. Subsequent to the filing of the application the company advised the Commission that a discrepancy existed in the

reported costs and that the expenditures for the reservoir aggregated \$138,620.87, exclusive of any allowance for interest during construction.

The Commission has considered the above-entitled matter and is of the opinion that a public hearing is not necessary, that the application should be granted, that the money, property or labor to be procured or paid for by the issue of the stock herein authorized is reasonably required 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. Azusa Valley Water Company may issue not exceeding 5,285 shares of its no par common stock to The Azusa Irrigating Company, on or before June 30, 1957, in payment for the reservoir facilities referred to in this application.
2. Azusa Valley Water Company shall file with the Commission a monthly 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 is for the issue of stock only and is not to be construed as indicative of amounts to be included in a future rate base for the determination of just and reasonable rates.
4. Applicant shall file with the Commission a copy of each journal entry used to record on its books the acquisition of the reservoir referred to herein.

5. The authority herein granted will become effective on the date hereof.

Dated at San Francisco, California, this 25th day of February, 1957.

[Signature]  
President  
[Signature]  
[Signature]  
[Signature]  
Commissioners