

ORIGINAL

Decision No. 57514

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application

of

SANTA PAULA WATER WORKS, LTD.,
a corporation, for an Order
Authorizing it to issue its
5% Cumulative Preferred Stock
in the Amount of \$120,000.00.

Application No. 40497

O P I N I O N

This is an application for an order of the Commission authorizing Santa Paula Water Works, Ltd., to issue and sell, at par for cash, 1,200 shares of its 5% cumulative preferred stock of the par value of \$100 each.

Applicant is engaged in distributing and selling water for domestic, irrigation, industrial, fire protection and other purposes in and about the City of Santa Paula. A summary statement indicating its investment in its water facilities and in other assets, and its liabilities and net worth, as of August 31, 1958, is as follows:

Assets

Fixed capital -		
Utility plant accounts	\$1,365,086	
Less -		
Depreciation reserve	360,680	
Consumers' advances	72,745	
Contributions	<u>18,350</u>	
Net		\$913,311
Current and accrued assets		46,734
Deferred debits		<u>6,010</u>
Total		<u>\$966,055</u>

Liabilities and Net Worth

Current liabilities -		
Notes payable	\$ 120,000	
Other current liabilities	<u>19,580</u>	
Total current liabilities		\$139,580
Preferred stock		380,000
Common stock and surplus -		
Common stock	\$ 350,000	
Surplus	<u>96,475</u>	
Total common stock and surplus		<u>446,475</u>
Total		<u>\$966,055</u>

The foregoing statement shows that applicant has financed itself, in part, through the issue of \$120,000 of notes, which notes, according to Exhibit A, were issued to Security-First National Bank in 1958, for periods of less than one year, at an interest rate of 5% per annum.

Applicant now desires to replace its short-term borrowings with permanent capital and it proposes to use the proceeds from the sale of the shares of stock covered by this application to discharge the outstanding \$120,000 of notes.

The Commission has considered this matter and is of the opinion that the company's request should be granted. The

approval indicated herein 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 purpose of determining just and reasonable rates.

O R D E R

The Commission having considered the above-entitled matter and being of the opinion that a public hearing is not necessary; that the money, property or labor to be procured or paid for by the issue of the 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. Santa Paula Water Works, Ltd., may issue and sell not to exceed 1,200 shares of its 5% cumulative preferred stock on and after the date hereof and on or before June 30, 1959, at not less than \$100 per share for cash for the purpose of paying outstanding indebtedness.

2. Santa Paula Water Works, Ltd., 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 shall become effective on the date hereof.

Dated at San Francisco, California, this 28th day of October, 1958.

E. L. Fox
President
W. E. [unclear]
Paul [unclear]
[unclear]
Theodore [unclear]
Commissioners