

ORIGINAL

Decision No. 62148

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of

SPRECKELS SUGAR COMPANY,
a corporation,

for an order of exemption.

Application No. 43489
Filed June 8, 1961

OPINION AND ORDER

Spreckels Sugar Company, a corporation, has filed this application for an order exempting it from the provisions of Article 5 and Article 6, Chapter 4, Part 1, Division 1 of the California Public Utilities Code.

Said Article 5 defines the jurisdiction of the Commission over the issue of securities by public utilities.

Section 829 of the article reads as follows:

"This article shall not apply to any person or corporation which transacts no business subject to regulation under this part, except performing services or delivering commodities for or to public utilities or municipal or other public corporations primarily for resale or use in serving the public or any portion thereof but shall nevertheless apply to any public utility if the commission finds, in a proceeding to which the public utility is or may become a party, that the application of this article is required by the public interest. The commission may from time to time by order or rule, and subject to such terms and conditions as may be prescribed therein, exempt any public utility or class of public utility from the provisions of this article if it finds that the application thereof to such public utility or class of public utility is not necessary in the public interest."

Section 853 contains similar language with respect to the exemption from Article 6, which defines ~~the~~ the jurisdiction of the Commission over the sale, mortgage, or other disposition of public utility properties.

Spreckels Sugar Company is engaged in the manufacturing and marketing of sugar and owns and operates three factories in the State of California, including one located in the vicinity of the unincorporated Town of Spreckels in the County of Monterey. In addition, it owns all the outstanding capital stock of Spreckels Water Company, a recently organized and certificated public utility water corporation operating in and about the Town of Spreckels.

Applicant maintains a private water system to supply the requirements of its Spreckels factory and, pursuant to the requirements of the Commission's order in Decision No. 61807,^{1/} dated April 11, 1961, has entered into a written agreement with Spreckels Water Company to the effect that the water company shall be entitled to draw water from applicant's so-called Well No. 21 in its factory system unless and until it shall be determined to the satisfaction of the Commission that the water company's other facilities are ample to provide an auxiliary water system.

^{1/} By Decision No. 61807, the Commission granted a certificate of public convenience and necessity to Spreckels Water Company, subject to the execution of an agreement with Spreckels Sugar Company respecting a firm supply of potable water, and authorized Spreckels Water Company to issue \$38,300 of stock.

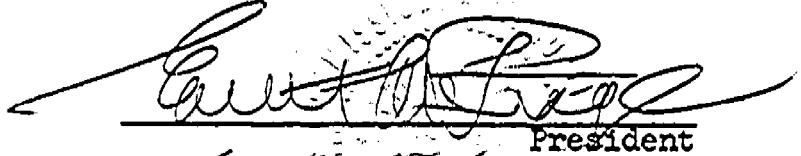
Spreckels Sugar Company is contemplating the future issue of stock and evidences of indebtedness and possible encumbrance or disposition of portions of its property. In the event that some question might exist with respect to the regulatory authority of the Commission over the issue of its securities because of its control through stock ownership of Spreckels Water Company and the service it performs, it has filed this application for exemption in order to clarify the matter and to avoid the adverse effects which might follow a judicial ruling that the Commission does or might have jurisdiction over securities issued by it.

The Commission has considered this matter and finds and concludes that a public hearing is not necessary; that the application to Spreckels Sugar Company, a corporation, of the provisions of said Article 5 and Article 6 is not necessary in the public interest; and that the company's request for exemption should be granted; therefore,

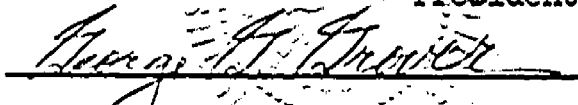
IT IS ORDERED, if and to the extent that this Commission has jurisdiction, that Spreckels Sugar Company, a corporation, be, and it hereby is, exempted from the provisions of Article 5 and Article 6, Chapter 4, Part 1, Division 1 of the California Public Utilities Code.

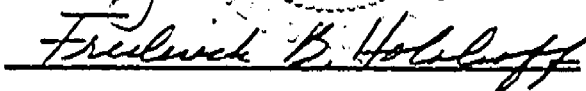
IT IS FURTHER ORDERED that this order shall become effective on the date hereof.

Dated at San Francisco, California, this 20th day of JUNE, 1961.



President





Commissioners