

ORIGINAL

63109

Decision No. _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
SOUTHERN CALIFORNIA WATER COMPANY
for an order authorizing it to
issue its securities.

} Application No. 44036
} Filed December 21, 1961

OPINION AND ORDER

In this application, Southern California Water Company seeks authorization to issue, as a result of a stock split, additional shares of its common stock in an amount equal to one-half the total number of shares of common stock outstanding on the effective date of the stock split.

The company reports that it desires to readjust its capitalization and to accomplish this objective it proposes, subject to approval by its stockholders, to amend its Articles of Incorporation so as to effect a split-up of its outstanding shares of \$5 par value common stock so that each share of common stock outstanding on the effective date of the split-up will become one and one-half shares of the par value of \$5 per share. If the stock split is put into effect, the shares of common stock outstanding on the effective date of the stock split will remain outstanding and applicant will issue only such number of its common shares as shall represent the additional shares resulting from the split. The number of shares to be issued cannot be determined by the company at

this time because additional shares of common stock may be issued prior to the effective date of the stock split upon conversion of some of its outstanding convertible debentures or upon the exercise of outstanding stock options.

Since the par value of the common shares will remain at \$5, the company, in accounting for this stock transaction, by a transfer from its capital surplus account will increase the balance in its common capital stock account to an amount equal to the aggregate par value of all of its common shares to be outstanding after the stock split. On the basis of the number of common shares outstanding as of October 31, 1961, an additional 412,887 common shares would be issued and \$2,064,435 would be transferred from the capital surplus account to the common capital stock account leaving, as of that date, a balance of approximately \$1,500,000 in the capital surplus account. The earned surplus account, which had a balance of approximately \$3,770,000 as of October 31, 1961, would not be affected by the stock split. The company asserts that the proposed stock transaction will broaden the market for its common shares and will result in a wider distribution of such shares.

The Commission has considered this application and finds and concludes that the proposed issue of common shares to effect a stock split is for a proper purpose; that the transaction will not be adverse to the public interest; 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, which purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income; and that an order should be entered granting applicant's request.

The authorization herein granted is not to be construed as a finding of value of applicant's shares of stock nor as indicative of amounts to be included in a future rate base for the purpose of determining just and reasonable rates.

A public hearing on this application is not necessary, therefore,

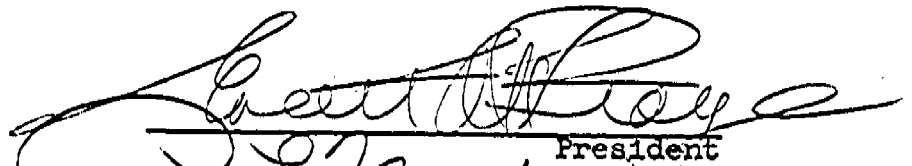
IT IS ORDERED that -

1. Southern California Water Company, on or after the effective date hereof and on or before December 31, 1962, may split its outstanding shares of common stock of the par value of \$5 per share so that each such share will become one and one-half shares of the par value of \$5 per share and, in effecting such split, may issue additional shares of its common stock in an amount equal to one-half the total number of shares of common stock outstanding on the effective date of the stock split.

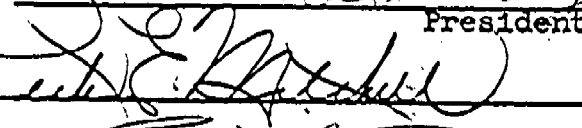
2. Within thirty days after filing with the Secretary of State, Southern California Water Company shall file with the Commission a certified copy of the Certificate of Amendment to its Articles of Incorporation to reflect the stock split.

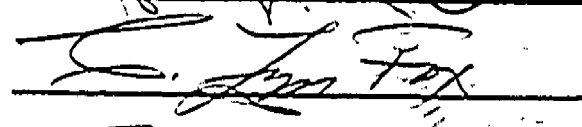
3. The authorization herein granted shall become effective on the date hereof.

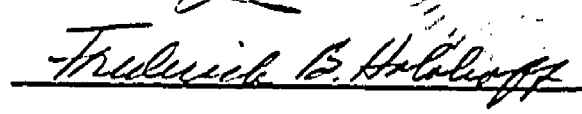
Dated at San Francisco, California,
this 11th day of JANUARY, 1962.



President







Commissioners