

ORIGINAL

64319

Decision No. _____

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
Common Stock in the Amount
of \$100,000.00.

Application No. 44719
Filed August 20, 1962

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, 1,000 shares of its common stock of the par value of \$100 each and of the aggregate par value of \$100,000.

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 water facilities and in other assets, and its liabilities and net worth, as of June 30, 1962, is as follows:

<u>Assets</u>		
Utility plant, less depreciation reserve	\$1,223,040	95%
Current assets -		
Current assets	\$82,138	
Less: Current liabilities	<u>11,711</u>	
Net current assets	<u>70,427</u>	<u>5%</u>
Total	<u>\$1,293,467</u>	<u>100%</u>

<u>Liabilities and Net Worth</u>		
Notes payable	\$ 127,000	10%
Advances and donations	189,733	15
Preferred stock	500,000	39
Common stock and surplus	<u>476,734</u>	<u>36</u>
Total	<u>\$1,293,467</u>	<u>100%</u>

The foregoing statement shows that applicant has financed itself, in part, through the issue of \$127,000 of notes, which notes, according to Exhibit A, were issued in 1961 and 1962 for periods of less than one year with interest at the rate of 5% per annum on notes issued on or prior to January 12, 1962, and at 5-1/2% per annum on notes issued thereafter.

Applicant now desires to replace 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 \$100,000 of the outstanding notes.

The Commission has considered this matter and is of the opinion that the company's request should be granted. The authority granted 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 has considered the above-entitled matter, has determined that a public hearing is not necessary, and is of the opinion 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, which purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED that -

1. Santa Paula Water Works, Ltd., may issue and sell not to exceed 1,000 shares of its common stock on and after the date hereof and on or before December 31, 1962, 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 2nd day of October, 1962.

George H. Brown
President
John R. [unclear]
Ernest W. [unclear]
Frederic B. Holhoff

Commissioners

Commissioner C. Lyn Fox, being necessarily absent, did not participate in the disposition of this proceeding.