

ORIGINAL

Decision No. 65819

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
SAN JOSE WATER WORKS, a corporation,
for an order authorizing it to issue
an additional amount of its preferred
stock

} Application No. 45602
} Filed July 17, 1963

O P I N I O N

San Jose Water Works has filed this application for an order authorizing it to issue and sell 40,000 shares of its Cumulative Preferred Stock, Series G, at par, \$25 a share, for the purpose of paying short-term bank loans and of reimbursing its treasury. The dividend rate of said shares is 4-5/8% per annum.

The application shows that the company has outstanding \$675,000 of short-term notes; that it expects to increase its borrowings before the preferred stock money becomes available; and that as of May 31, 1963, the company's capital expenditures which had not been financed with permanent securities or advances and donations amounted to \$2,411,179. In Exhibit B, the company reports that the estimated amounts to complete construction work in progress aggregate \$3,076,159.

A review of the application indicates that the company has need for additional funds to liquidate its short-term borrowings and to reimburse its treasury, thereby improving its cash position. We are of the opinion, and find, 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 purposes specified herein; and that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income. A public hearing is not necessary.

The authorization herein granted is for the purpose of this proceeding only and is not to be construed as indicative of amounts to be included in future proceedings for the purpose of determining just and reasonable rates.

O R D E R

IT IS ORDERED that:

1. San Jose Water Works, on or after the effective date hereof and on or before December 31, 1963, may issue and sell 40,000 shares of its Cumulative Preferred Stock, Series G, at not less than the par value thereof, \$25 a share, and use the proceeds for the purposes set forth in this application.
2. San Jose Water Works 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 6th day of August, 1963.

William G. Bennett
President
John E. Mitchell
Edward P. [unclear]
George H. [unclear]
Frederic B. Holbert
Commissioners