

ORIGINAL

Decision No. 66462

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
CALIFORNIA WATER & TELEPHONE COMPANY
To issue and sell 9,400 share of
its Common Stock

Application No. 45974
Filed November 19, 1963

O P I N I O N

This is an application for an order of the Commission authorizing California Water & Telephone Company, pursuant to the provisions of its Stock Option Plan for Executives and Key Employees, to issue and sell 9,400 shares of its common stock of the aggregate par value of \$58,750.

The application shows that on December 11, 1961, options for 8,400 shares of such stock were granted at a price of \$23.09375 per share, and that on December 26, 1962, options for 1,000 shares of such stock were granted at a price of \$19.5625 per share, all pursuant to the restricted stock option plan recognized by the Commission in Decision No. 59832, dated March 29, 1960, in Application No. 41928. Recently, such stock has been quoted at around \$21 per share.

The company proposes to expend \$950 of the \$213,550 of proceeds to be derived from issuing the 9,400 shares of common stock for stamp taxes and miscellaneous costs including

counsel fees relating to the issue, and to utilize the remaining \$212,600 to reimburse its treasury for moneys expended for construction, completion, extension or improvement of its facilities and not obtained from sale of evidences of ownership or indebtedness.

The Commission has considered this matter and is of the opinion, and finds, that (1) the proposed stock issue is for proper purposes; (2) the proposal to issue the stock in accordance with the company's restricted stock option plan follows along conventional lines; (3) 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 (4) such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income. A public hearing is not necessary.

On the basis of the foregoing findings, we conclude that the application should be granted. In issuing our order herein, we place applicant and its shareholders on notice that we do not regard the number of shares outstanding, the total par value of the shares nor the dividends paid as measuring the return applicant should be allowed to earn on its investment in plant and that the approval herein given is not to be construed as a finding of value of applicant's stock or properties nor 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. California Water & Telephone Company may issue and sell not to exceed 8,400 shares of its common stock at not less than \$23.09375 per share and not to exceed 1,000 shares of its common stock at not less than \$19.5625 per share, subject to such modification of the number of shares and corresponding prices as may be required upon adjustments of capitalization, under and pursuant to the terms of its Stock Option Plan for Executives and Key Employees, a copy of which is on file in this proceeding as Exhibit A.

2. California Water & Telephone Company shall use the proceeds from the sale of such shares for the purposes set forth in the application.

3. California Water & Telephone Company 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.

4. The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 17th day of December, 1963.

William M. Bennett
President

George E. Hoover

Frederick B. Halshoff
Commissioners