



Decision No. 66798

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
BISHOP WATER COMPANY, a California)
corporation, for a Certificate of)
Public Convenience and Necessity to)
operate a public utility water)
system, to establish rates therefor,)
and for a permit to issue capital)
stock of said applicant corporation.)

Application No. 44308
First Supplemental
Filed January 29, 1964

FIRST SUPPLEMENTAL OPINION

Pursuant to authority granted by Decision No. 64314, dated September 25, 1962, in this proceeding, Bishop Water Company issued \$25,000 principal amount of its bonds. In this supplemental application, the company proposes to issue \$25,000 par value of capital stock in exchange for said bonds in order to reduce long-term debt and related administrative costs.

The Commission has considered this supplemental application and finds that: (1) the proposed stock issue is for a proper purpose; (2) 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; and (3) such purpose is 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 authorization 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 determination of just and reasonable rates.

FIRST SUPPLEMENTAL ORDER

IT IS ORDERED that:

1. Bishop Water Company, on or after the date hereof and on or before May 31, 1964, may issue not to exceed \$25,000 par value of its capital stock, at par, in exchange for a like amount of its bonds.
2. Bishop Water 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.
3. The effective date of this order is the date hereof.

Dated at San Francisco, California,
this 18th day of February, 1964.

William L. Bennett
President
George H. Crow
Frederick B. Harhoff
Commissioners