

**ORIGINAL**

Decision No. 67219

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application  
of NEW CALIFORNIA WATER &  
TELEPHONE COMPANY  
for authority to issue and sell  
1,000 shares of its Common Capital  
Stock.

Application No. 46636  
Filed May 15, 1964

O P I N I O N

This is an application for an order of the Commission authorizing New California Water & Telephone Company to issue and sell 1,000 shares of its \$1 par value common capital stock to California Water & Telephone Company.

Applicant is a California corporation organized on or about March 30, 1964, for the purpose of operating a telephone and water utility business. The company reports that, pursuant to a permit dated April 6, 1964 of the Division of Corporations, it issued 1,000 shares of its common capital stock to California Water & Telephone Company. The application shows that, after learning that this Commission asserts that it has sole jurisdiction to the exclusion of the Division of Corporations, to authorize the issuance of applicant's securities, applicant cancelled such shares as having been issued in error and returned the purchase price to California Water & Telephone Company. Applicant is now seeking authority from this

Commission to issue 1,000 shares of its common capital stock for the purpose of obtaining \$1,000 to apply toward the payment of its organizational expenses.

The Commission has considered this matter and finds that: (1) New California Water & Telephone Company and California Water & Telephone Company are public utilities subject to the jurisdiction of this Commission; (2) the proposed stock issue is for a proper purpose; (3) the purchasing, acquiring, taking and holding of 1,000 shares of common capital stock of New California Water & Telephone Company by California Water & Telephone Company would not be adverse to the public interest; (4) 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 (5) 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: (a) New California Water & Telephone Company should be authorized to issue and sell 1,000 shares of its common capital stock for cash at par; and (b) California Water & Telephone Company should be authorized to purchase, acquire, take and hold said 1,000 shares of stock. In issuing our order herein, we place applicant and its proposed shareholder 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 proceedings for the determination of just and reasonable rates.

O R D E R

IT IS ORDERED that:

1. New California Water & Telephone Company, on or after the date hereof and on or before August 31, 1964, may issue and sell not to exceed 1,000 shares of its common capital stock, for cash at par, for the purpose specified in the application.

2. California Water & Telephone Company may purchase, acquire, take and hold said 1,000 shares of stock of New California Water & Telephone Company.

3. New 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 hereby made a part of this order.

4. The effective date of this order is the date hereof.

Dated at San Francisco, California, this 19th day of  
MAY, 1964.

William L. Brund  
President  
John P. Mitchell  
Constance M. Berg  
George G. Traver  
Fredrick B. Halbach  
Commissioners