

ORIGINAL

Decision No. 67301

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
SUBURBAN WATER SYSTEMS, a California)
corporation, for authority to con-)
tiguously extend public utility)
service to Tract No. 26254 pursuant)
to Section 1001 of the Public)
Utilities Code.)

Application No. 45848
(Filed October 9, 1963)

Guy, Smith & Wahl, by Arthur D. Guy, Jr.,
for applicant.

Raymond E. Heytens, for the Commission staff.

ORDER ON PETITION FOR MODIFICATION

By Decision No. 66600, dated January 14, 1964, in Application No. 45848, the Commission, among other things, ordered that:

"6. Within 60 days after the effective date of this order applicant shall submit to this Commission, in writing, a statement of its future plans for implementing the recommendation in the opinion herein that applicant develop and maintain a capital structure containing at least 40 per cent total preferred and common stock equity, and no more than 60 per cent debt and advances for construction combined."

The ordering paragraph was based on the facts and figures contained in a financial report (Exhibit 2 herein) prepared by a Commission financial examiner for use in a pending application of applicant herein (Application No. 45465) whereby it seeks authority to furnish water to 2,900 acres of land. Applicant was not apprised of the fact that the Commission would use this report in connection

We find reasonable ordering paragraph 6 of Decision No. 66600, which requires applicant to prepare and submit to this Commission a plan to implement the capital structure recommended in said decision.

It is concluded, therefore, that the Petition for Modification should be denied and Decision No. 66600 affirmed.

IT IS ORDERED that the Petition for Modification, filed by Suburban Water Systems herein, is denied.

IT IS FURTHER ORDERED that Decision No. 66600 is affirmed.

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

Dated at San Francisco, California, this 22^d day of JUNE, 1964.

William L. Bennett
President
John E. Mitchell
Robert W. Beane
George H. Hoover
Frederic B. Hallock
Commissioners

CORRECTION

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THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY

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ORDER ON PETITION FOR MODIFICATION

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"6. Within 60 days after the effective date of this order applicant shall submit to this Commission, in writing, a statement of its future plans for implementing the recommendation in the opinion herein that applicant develop and maintain a capital structure containing at least 40 per cent total preferred and common stock equity, and no more than 60 per cent debt and advances for construction combined."

The ordering paragraph was based on the facts and figures contained in a financial report (Exhibit 2 herein) prepared by a Commission financial examiner for use in a pending application of applicant herein (Application No. 45465) whereby it seeks authority to furnish water to 2,900 acres of land. Applicant was not apprised of the fact that the Commission would use this report in connection

with the herein application until after Decision No. 66600 was issued. Based on the contents of said report, the Commission found:

"8. Applicant should take such steps as may be necessary to develop and maintain a capital structure containing at least 40 per cent total preferred and common stock equity, and no more than 60 per cent debt and advances for construction combined."

On February 10, 1964, applicant filed its Petition for Modification praying that the said ordering paragraph, as well as the finding on which the ordering paragraph was based, be deleted from the decision. On March 31, 1964, the Commission issued an order extending the time within which to comply with said ordering paragraph 6 until further order of the Commission.

A public hearing on the Petition for Modification was held before Examiner Rogers in Los Angeles on April 7, 1964. The applicant presented no evidence, but argued that the ordering paragraph and the supporting finding should be stricken from the decision. It also requested that if the Commission did not desire to remove the restriction it should reopen the matter for further hearing in which all similar water utilities could participate for the purpose of determining whether or not the requirement of ordering paragraph 6 should be a general position of the Commission.

Pursuant to stipulation, an additional exhibit (Exhibit 3) was presented. This exhibit shows that on December 31, 1963, advances for construction plus the long-term debt of the applicant constituted 63.91 per cent of its capital structure, and that disregarding the advances for construction on the same date its long-term debt constituted 57.35 per cent of its capital structure.

We find reasonable ordering paragraph 6 of Decision No. 66600, which requires applicant to prepare and submit to this Commission a plan to implement the capital structure recommended in said decision.

It is concluded, therefore, that the Petition for Modification should be denied and Decision No. 66600 affirmed.

IT IS ORDERED that the Petition for Modification, filed by Suburban Water Systems herein, is denied.

IT IS FURTHER ORDERED that Decision No. 66600 is affirmed.

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

Dated at San Francisco, California, this 22nd day of JUNE, 1964.

William L. Bennett
President
George H. Hoover
Frederic B. Holcroft
Commissioners