

ORIGINAL

Decision No. 68065

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of PINAL WATER CO. for Authority)
to Issue and Sell 150 Additional)
Shares of Its Capital Stock of)
the Par Value of \$100.00 Per)
Share for Cash at Par Value.)

Application No. 46998
Filed September 23, 1964

O P I N I O N

This is an application for an order of the Commission authorizing Pinal Water Co. to issue and sell \$15,000 par value of its capital stock.

Applicant is a California corporation engaged in the business of supplying and distributing water in the portion of Shasta County known as Westwood Manor. By Ordering Paragraph No. 6 of Decision No. 54412, dated January 22, 1957, as modified by an Order Extending Time dated May 27, 1958, in Application No. 38326, the Commission authorized the corporation to issue and sell \$78,000 par value of its capital stock on or before July 25, 1958 for the purpose of acquiring a certain water system sufficient to supply 390 housing units.

The company reports that it sold 130 shares of its capital stock pursuant to the above-mentioned authority and that it desires permission to issue and sell an additional 150 shares (\$15,000 par value) of stock in payment of debts to the dissolved

Paso Land Company. The application shows that the land company's loans had enabled applicant to install its water system prior to full capitalization and that the stock would be issued to one or more of the three distributees of such dissolved company.

The Commission has considered this matter 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. On the basis of these findings we conclude that the application should be granted. A public hearing is not necessary.

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 proceedings for the determination of just and reasonable rates.

O R D E R

IT IS ORDERED that:

1. Pinal Water Co., on or after the date hereof and on or before December 31, 1964, may issue and sell at not less than par not to exceed \$15,000 par value of its capital stock for the purpose set forth in this proceeding.

2. Pinal Water Co. shall file with the Commission a report, or reports, as required by General Order No. 24-B, which order, insofar as applicable, is hereby made a part of this order.

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

Dated at San Francisco, California,
this 20th day of OCTOBER, 1964.

Frederick B. Halaloff
President

Edward J. [unclear]
Edward J. [unclear]

George J. [unclear]

Commissioners

Commissioner William M. Bennett, being necessarily absent, did not participate in the disposition of this proceeding.