

ORIGINAL

Decision No. 69952

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of SANTA PAULA WATER WORKS, LTD.,)
a corporation, for an Order)
Authorizing it to issue its 5%)
Cumulative Preferred Stock in)
the amount of \$125,000.00.)

Application No. 47986
Filed October 21, 1965

O P I N I O N

Santa Paula Water Works, Ltd. has filed this application requesting authority to issue and sell \$125,000 aggregate par value of its 5% Cumulative Preferred Stock.

Applicant is a California corporation engaged in the business of distributing and selling water in Santa Paula, Ventura County, and territory adjacent thereto. For the twelve months ended December 31, 1964, it reports gross operating revenues and net income of \$296,695 and \$55,636, respectively. As of December 31, 1964, the utility reports 4,747 active service connections, excluding private fire connections and public fire hydrants.

The application shows that the company had \$75,000 of short-term notes outstanding, as of June 30, 1965, issued in connection with its construction program, and that it has financed a portion of said program from depreciation reserves

and income. In addition, the utility reports that it proposes to drill a new well at an estimated cost of \$25,000.

For the purpose of obtaining funds to discharge said short-term notes, to finance additional proposed improvements and to reimburse its treasury for capital expenditures, applicant proposes to sell 1,250 shares of its 5% Cumulative Preferred Stock at their par value of \$100 each for a total consideration of \$125,000.

The Commission has considered this matter and finds that: (1) the proposed stock issue is for proper purposes; (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 purposes specified herein; and (3) such purposes are 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 the

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. Santa Paula Water Works, Ltd. may issue and sell not to exceed 1,250 shares of its 5% Cumulative Preferred Stock at their par value of \$100 per share and shall use the proceeds for the purposes specified in this proceeding.

2. Santa Paula Water Works, Ltd. 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 16th day of NOVEMBER, 1965.

Frederick B. Hildebrand
President
George J. Crover
Augustus
William L. Beaudin

Commissioner Peter E. Mitchell, being necessarily absent, did not participate in the disposition of this proceeding.