

Decision No. 70372

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application)
of SUBURBAN WATER SYSTEMS, a)
California corporation, for)
permission to borrow money and)
sell securities and in con-)
nection therewith, to issue and)
sell its First Mortgage Series)
"E" 5-3/4% Bonds under the)
Fourth Supplemental Trust)
Indenture to issue and sell its)
debentures under Indenture to be)
dated January 1, 1962, and to)
issue and sell Series "A")
Preferred Stock.)

Application No. 44154
Petition for Modification
Filed January 21, 1966

FIRST SUPPLEMENTAL OPINION

By Decision No. 63353, dated March 6, 1962, as modified in this proceeding, the Commission, among other things, authorized Suburban Water Systems to issue not to exceed 5,800 shares of its Series "A" 5-1/4% Cumulative Preferred Stock of the par value of \$50 each, to sell said shares for cash at not less than par, and to use the proceeds for the purposes specified in the application.

In its Petition for Modification, applicant requests the Commission to modify said Decision No. 63353 to permit the company to issue the remaining shares of said preferred stock (a) for cash, at not less than par, for the purposes presently authorized, and (b) at par, in payment for water main extension contracts eligible for termination under the provisions of the Commission's presently effective water main extension

rule. Applicant states that prior to any such termination it would file an appropriate advice letter with this Commission for approval.

The Commission has considered the Petition for Modification and finds that the money, property or labor to be procured or paid for by the issue of the preferred stock authorized by said Decision No. 63353 is reasonably required for the purposes specified therein and in the Petition for Modification, and that such purposes are 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 finding we conclude that the Petition for Modification should be granted. The authorization herein given is for the purpose of this proceeding only and is not to be construed as indicative of amounts to be included in proceedings for the determination of just and reasonable rates.

FIRST SUPPLEMENTAL ORDER

IT IS ORDERED that:

1. Decision No. 63353, dated March 6, 1962, as modified, is hereby further modified so as to permit applicant to issue the shares of preferred stock authorized in said decision (a) for cash, at not less than their par value of \$50 each, for the purposes previously authorized in this proceeding, and (b) at par, for the purpose of terminating

water main extension contracts eligible for termination in accordance with provisions of the Commission's presently effective water main extension rule.

2. Prior to issuing shares of said preferred stock for the purpose of terminating water main extension contracts, Suburban Water Systems shall file an appropriate advice letter with the Commission and obtain approval from the Commission for the proposed termination.

3. Said Decision No. 63353, as modified, shall remain in full force and effect, except as further modified by this First Supplemental Order.

4. The effective date of this First Supplemental Order is the date hereof.

Dated at San Francisco, California, this 23rd day of FEBRUARY, 1966.

Frederic B. Hallock
President

D. E. Hatchell

George L. Turner

Augusta

Holloman W. Bennett
Commissioners