

**ORIGINAL**

Decision No. 70515

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of Larkfield Water Company, )  
a California corporation, for )  
an order authorizing it to issue )  
and sell \$149,400.00 of \$100.00 )  
par value common stock )

Application No. 48290  
Filed March 8, 1966

O P I N I O N

Larkfield Water Company has filed this application requesting authority to issue and sell \$149,400 aggregate par value of its common capital stock.

Applicant is a California corporation engaged in the business of operating a public utility water system in the unincorporated area known as Larkfield Estates and surrounding territory in Sonoma County, California. For the twelve months ended December 31, 1965, the utility reports gross operating revenues and net income of \$27,416 and \$3,127, respectively. As of December 31, 1965, the corporation reports 379 active service connections, excluding fire protection connections. It reports a net utility plant investment of \$417,153 as of that date.

In the present application, the company seeks authority to issue and sell 1,494 shares of its \$100 par value common capital stock, at par, to retire an equal amount of advances made to the company by its president for the purpose of improvement and expansion of its water system.

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 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. Larkfield Water Company, on or after the date hereof and on or before July 31, 1966, may issue and sell not to exceed 1,494 shares of its common capital stock at the par value of \$1.00 per share for the purpose specified in this proceeding.

2. Larkfield Water Company 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 5<sup>th</sup> day of APRIL 4, 1966.

Frederick B. Holbrook  
President

George T. Thayer

August

William B. Bunker  
Commissioners

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