

ORIGINAL

Decision No. 70703

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of JENSEN WATER CO.,
a California Corporation, to
operate a water system in Cabazon,
Riverside County; and to Establish
Rates.

Application No. 45711
(Second Supplement, filed
March 7, 1966)

OPINION AND ORDER

By Decision No. 66945, dated March 17, 1964 in the above numbered application, applicant was granted a certificate of public convenience and necessity to operate a public utility water system in Cabazon. Authority to issue stock was withheld pending the receipt of an appraisal and reserve requirements study of the depreciated water system facilities, and the filing of a supplemental application, which is the instant matter.

A memorandum, dated April 7, 1966, prepared by a Commission staff financial examiner is hereby received as Exhibit 1. Set forth therein is his recommendation that the requested stock issuance be authorized.

Attached to Exhibit 1 is an original cost valuation, revised as of February 14, 1965, showing the original cost (estimated, if not known) of applicant's operative properties, as of June 30, 1964, to be \$63,275.15, with a computed depreciation reserve of \$1,669.30.

This second supplemental application requests authority to issue 7,000 shares of applicant's common stock at \$10 par value to L. D. Tallent for water system facilities, and working cash advances totalling \$8,394.15.

Based on the application and Exhibit 1, we find that a public hearing is not necessary and that the issuance of stock should be authorized.

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 such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income.

IT IS ORDERED that:

1. Jensen Water Company, on and after the date hereof and on or before December 1, 1966, is authorized to issue 7,000 shares of its \$10 par value common stock aggregating \$70,000 to L. D. Tallent for the purposes described hereinbefore.

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

3. Applicant shall record in its books of accounts the amounts of \$63,275.15 and \$1,669.30 for utility plant and reserve for depreciation, respectively, as set forth in the original cost evaluation, revised as of February 14, 1965, attached to Exhibit 1, and on or before December 1, 1966, shall submit to the Commission the accounting entries used to record these amounts in the various accounts.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 17th
day of MAY, 1966.

Frederick B. Holdhoff
President
John S. [unclear]
George T. [unclear]
Commissioners
William W. [unclear]
Commissioners