

**ORIGINAL**

Decision No. 71656

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of )  
SAN GABRIEL VALLEY WATER COMPANY )  
for Authority to issue Common )  
Shares as a Stock Dividend. )

Application No. 48954  
Filed November 17, 1966

O P I N I O N

San Gabriel Valley Water Company requests authorization from the Commission to issue 40,000 shares of its \$10 par value common stock for distribution as a stock dividend to the holders of its common shares.

The application shows that the company presently has 200,000 shares of common stock outstanding and that the balance in its earned surplus account as of September 30, 1966 was \$990,207. In this proceeding applicant proposes to issue 40,000 shares of its \$10 par value common stock in payment of a 20% stock dividend to the holders of its common shares and to transfer the sum of \$400,000 from earned surplus to its common stock account.

The Commission has considered this matter and finds that: (1) the proposed stock issue is for a proper purpose; (2) applicant's retained earnings from operations exceed the proposed common stock dividend to the extent that it may

properly issue 40,000 shares of common stock against such earnings; (3) 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 (4) 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. San Gabriel Valley Water Company, on or after the date hereof and on or before March 31, 1967, may issue not to exceed 40,000 shares of its \$10 par value common stock, at par, in payment of a 20% stock dividend on its outstanding common shares.

2. San Gabriel Valley 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 6<sup>th</sup> day of DECEMBER, 1966.

*John E. Hatchell*  
President

*Friedrich B. Halbach*  
*Augustin*  
*William W. Bernard*  
Commissioners

Commissioner George G. Grover did not participate in the disposition of this proceeding.