

ORIGINAL

Decision No. 71687

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of)
))
ARDEN WATER COMPANY, a)
California corporation,)
))
for an Order authorizing it to)
issue and sell 53,000 shares)
of its common stock at \$2.00)
per share)

Application No. 48962
Filed November 21, 1966

O P I N I O N

Arden Water Company, a California corporation, is a public utility owning and operating a water system in the unincorporated area known as Wofford Heights in Kern County, California. In this proceeding applicant requests authority to issue and sell 53,000 shares of its \$1 par value common stock for an aggregate consideration of \$106,000.

The application indicates that the company plans to sell the stock to its present shareholders at a price of \$2 per share. The proceeds to be derived from the sale will be applied toward (a) financing estimated capital expenditures of \$82,000 for main replacements, meter installations and additional storage facilities, (b) retiring a previously authorized \$15,000 note, (c) repaying an open account advance of \$6,000 utilized for capital improvements, and (d) increasing working capital by \$3,000.

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. Arden Water Company, on or after the date hereof and on or before December 31, 1967, may issue and sell to its present shareholders not to exceed 53,000 shares of its common stock at a price of \$2 per share, and shall use the proceeds for the purposes specified in this proceeding.

2. Arden 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 13th day of DECEMBER, 1966.

John E. [Signature] President

George E. Crower

Fredrick B. Holstloff

Augusta

William B. [Signature]
Commissioners