

ORIGINALDecision No. 71749

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of)	
CALIFORNIA CONSOLIDATED WATER)	
COMPANY, INC., a California)	Application No. 49004
corporation, to exchange)	Filed December 7, 1966
common stock.)	
<hr/>		

O P I N I O N

This is an application for an order of the Commission authorizing California Consolidated Water Company, Inc. to issue and sell 76,000 shares of its common stock (as such stock will be constituted upon the issuance and sale of 2,500 shares of its preferred stock) in exchange for the 76,000 shares of its presently outstanding common stock.

By Decision No. 71587, dated November 29, 1966, in Application No. 48908, the Commission authorized California Consolidated Water Company, Inc. to issue and sell 2,500 shares of its 6.25% Cumulative Preferred Stock. Applicant reports that the issuance and sale of such stock may be deemed to effect a change in the rights, privileges or preferences on its 76,000 presently outstanding shares of common stock, and that such change may be deemed to constitute a sale of common stock.

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. California Consolidated Water Company, Inc. may issue and sell 76,000 shares of its common stock (as such stock will be constituted upon the issuance and sale of 2,500 shares of its preferred stock) in exchange for the 76,000 shares of its presently outstanding common stock.

2. The issuance, sale and exchange of common stock as herein authorized may be deemed to be effected immediately, and without further action on the part of California Consolidated Water Company, Inc., upon the issuance and sale of the 2,500 shares of preferred stock authorized by Decision No. 71587, dated November 29, 1966, in Application No. 48908.

3. The effective date of this order is the date hereof.

Dated at San Francisco, California, this 27th day of DECEMBER, 1966.

[Signature]
President

[Signature]

[Signature]

Commissioners

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

Commissioner William M. Bennett, being necessarily absent, did not participate in the disposition of this proceeding.