

ORIGINAL

Decision No. 72897

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of Pomona Valley Water Company)
for Issuance of Common Stock.)
_____)

Application No. 49514
Filed June 29, 1967

O P I N I O N

This is an application for an order of the Commission authorizing Pomona Valley Water Company to issue 3,423 shares of its no par value common stock in cancellation of certain indebtedness to its present two shareholders.

Applicant, a California corporation, is engaged in the business of acquiring, producing and supplying water as a public utility in portions of San Bernardino County.

The application shows that from time to time advances were made to the company by its shareholders and that partial repayments thereof were made by the company during the period from 1953 through 1966. The application further shows that these funds were used for the construction of water plant and facilities, acquisition of stock of Southwest Chino Mutual Water Company and working capital, and that the balance due the shareholders therefor as of December 31, 1966 amounted to \$159,592.91. The company now proposes to issue 3,423 shares of its no par value common stock plus \$12.65 in cash in cancellation of said outstanding balance due its shareholders. The stock would be issued at a stated value of

\$46.62 per share, being the June 30, 1965 book value thereof as recognized by Decision No. 71879, dated January 24, 1967, in Application No. 48405. Staff analysis of applicant's records supports the requested stock authorization.

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 stated 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. Pomona Valley Water Company, on or after the date hereof and on or before December 31, 1967, in the manner and for the purpose specified in this proceeding, may issue not exceeding 3,423 shares of its no par value common stock.

2. Pomona 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 15th day of AUGUST, 1967.

President

William L. Brown

August

William Brown

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Commissioners

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