

sjg/jmd

Decision No. 79080

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
SUBURBAN WATER SYSTEMS, a California  
Corporation, for permission to issue  
\$500,000 of Debentures and \$250,000  
in Common Stock.

} Application No. 52120  
(2nd Petition for Modification  
of Decision No. 78146)  
(Filed July 16, 1971)

OPINION AND ORDER

By Decision No. 78146, dated January 5, 1971, in the above application, this Commission issued its order which, among other things, authorized applicant to issue and sell not exceeding 5,000 shares of its \$10 par value common stock for not less than \$50 per share and for a total sum of not to exceed \$250,000 subject to the conditions, among others, that:

"(1) Prior to the sale of its common stock as hereby authorized to the general public applicant shall offer said shares to its present shareholders on a pro rata basis allowing such shareholders at least 30 days in which to accept or reject such offer,...

"(2) Applicant shall use the first \$350,000 derived from the sales of stock and/or debentures for the retirement of outstanding short term notes having face value amounts of \$50,000 or less.

"(3) After the retirement of short term notes as specified in subparagraph 1. (b) (2) above, applicant shall not at any time have outstanding short term notes aggregating \$650,000. This condition shall not restrict or prohibit applicant from bank or institutional short term borrowing. As used in this condition "short term" means any loan payable on or before one calendar year from the time the money or consideration is received by the applicant and all demand obligations.

"(4) Applicant shall gradually phase out the use of short term (as defined in subparagraph 1. (b) (3) above) borrowings by substitution of long term and equity financing and sale of properties, and continue its short term note program on and after June 30, 1971, only if written authority is received from the Commission.

"(6) Applicant shall cease purchases of properties from related interests either directly or indirectly, unless and until authorized by a letter from this Commission."

By Decision No. 78583, dated April 20, 1971, the Commission modified Decision No. 78146 to permit the sale of stock to 23 bona fide California residents and disregarded out-of-state stockholders.

By the herein considered petition the applicant requests the continuance of the short-term note program until December 31, 1971, and the extension of time from June 30, 1971 to December 31, 1971 in which to continue to sell the common stock authorized by Decision No. 78146, supra.

The Commission has reviewed the application and is of the opinion that the time in which to sell the common stock may be continued to December 31, 1971. A public hearing is not necessary. The request for authority to continue the short-term note program should be set for hearing.

Therefore, IT IS ORDERED that:

(1) The time within which Suburban Water Systems may issue and sell its common stock pursuant to Ordering Paragraph 1(a) of Decision No. 78146 is hereby extended to and including December 31, 1971.

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(2) The request for authority to continue to issue additional short-term notes is set for hearing before Examiner Rogers on Monday, the 30th day of August, 1971, at 1 p.m. in the Commission Courtroom, State Building, 107 South Broadway, Los Angeles, California.

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

Dated at San Francisco, California, this 24th  
day of AUGUST, 1971.

[Signature]  
Chairman  
William J. Symons  
[Signature]  
Vernon L. Sturgeon  
[Signature]  
Commissioners