

Decision No. 79651

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. 52130  
Petitions for Extension of Time  
Filed July 16, 1971  
and December 31, 1971

O P I N I O N

By Decision No. 78146, dated January 5, 1971, in the above-entitled matter, the Commission authorized Suburban Water Systems, subject to certain terms and conditions, to issue and sell on or before June 30, 1971 not exceeding (a) 5,000 shares of its common stock for not less than \$50 per share, and (b) \$500,000 face value of debentures.

After selling the \$500,000 of debentures and 2,360 of the 5,000 shares of common stock, the company, on July 16, 1971, filed a petition seeking an extension of time until December 31, 1971, unless further authorized by the Commission, for continuing its short-term note program and for selling the remaining 2,640 shares of common stock.

By Decision No. 79080, dated August 24, 1971, in the above-entitled matter, the Commission extended the time for issuing the common stock to and including December 31, 1971.

The Petition for Extension of Time filed on December 31, 1971 shows that the company has sold 2,507 of the authorized 5,000 shares of common stock. The utility requests a further extension of time until December 31, 1972, for selling the remaining 2,493 shares

After consideration the Commission finds that:

1. Petitioner has discontinued the short-term note program referred to in Condition (4) of Decision No. 78146.
2. Initially, petitioner sold a large amount of the common stock.

3. Sales of the remaining shares of authorized common stock have been proceeding at a very slow pace.

4. A public hearing on these petitions is not necessary.

On the basis of the foregoing findings we conclude that (a) the pending request for an extension of time for continuing the short-term note program should be dismissed, and (b) the Petition for Extension of Time filed on December 31, 1971 should be granted upon the understanding that petitioner cannot continuously expect this Commission to approve extensions of time within which to sell the common shares.

Petitioner is hereby placed on notice that it should exert such effort as may be necessary to bring about the sale of the remaining shares of authorized common stock and thus improve its unbalanced capital structure. If petitioner cannot consummate at an early date the sale of the currently authorized issue, it should consider seeking authority to issue its common shares under different terms and/or conditions.

O R D E R

IT IS ORDERED that:

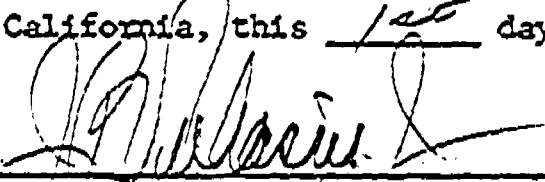




1. The Petition for Extension of Time filed in this proceeding on July 16, 1971 is hereby dismissed insofar as it seeks an extension of time for continuing the short-term note program contemplated by Condition (4) of Decision No. 78146, dated January 5, 1971.

2. The time within which Suburban Water Systems may issue and sell the common stock authorized by Decision No. 78146, dated January 5, 1971, as modified, is hereby extended to and including December 31, 1972.

A. 52130 JM \*

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 1st day  
of FEBRUARY, 1972.

  
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Chairman  
  
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Commissioners