

Decision No. 83240**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )	
of ROSSMOOR WATER COMPANY for )	Application No. 55041
Authority to Issue 2,500 Shares )	(Filed July 17, 1974)
of its Common Stock. )	

O P I N I O N

Rossmoor Water Company seeks authority to issue 2,500 shares of its \$100 par value common stock to Rossmoor Corporation.

Applicant is a California corporation providing public utility water service in a portion of Orange County. Its reported balance sheet at May 31, 1974, as summarized from Exhibit A attached to the application, is as follows:

Assets

Current assets	\$ 325,264
Net utility plant	6,334,368
Other assets	<u>101,128</u>
Total	<u>\$6,760,760</u>

Liabilities

Current and accrued liabilities	\$ 731,306
Common stock equity	1,649,429
Long-term debt	1,112,700
Advances for construction	2,423,620
Contributions in aid of construction	786,380
Other liabilities	<u>57,325</u>
Total	<u>\$6,760,760</u>

The company proposes to issue 2,500 shares of its \$100 par value common stock to Rossmoor Corporation for \$250,000 cash for the purpose of obtaining a portion of the funds to purchase and terminate sixteen main extension refund contracts at a total cost of \$257,360.42. The balance of the purchase price would be provided from internal sources.

After consideration the Commission finds that: (1) the proposed stock would be for a proper purpose; (2) the money, property or labor to be procured or paid for by 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 the foregoing findings we conclude that the application should be granted. A public hearing is not necessary. The authorization herein granted is for the purpose of this proceeding only, and is not to be construed as indicative of amounts to be included in proceedings for the determination of just and reasonable rates.

O R D E R

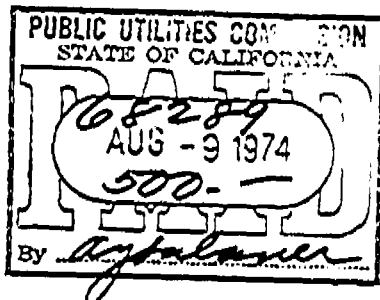
IT IS ORDERED that:

1. Rossmoor Water Company, on or after the effective date hereof and on or before October 31, 1974, for the purpose specified in the application, may issue and sell, at par for cash, not exceeding 2,500 shares of its \$100 par value common stock.

2. Rossmoor Water Company shall file with the Commission the report required by General Order No. 24-B, which order, insofar as applicable, is hereby made a part of this order.

3. This order shall become effective when Rossmoor Water Company has paid the fee prescribed by Section 1904.1 of the Public Utilities Code, which fee is \$500.

Dated at San Francisco, California, this 1<sup>st</sup> day of August, 1974.



Vernon L. Sturgeon  
President  
William J. Sturgeon  
William J. Sturgeon  
William J. Sturgeon  
Commissioners

Commissioner D. W. Holmes, being necessarily absent, did not participate in the disposition of this proceeding.