

Decision No. 83571**ORIGINAL**

## BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of	)	
DOMINGUEZ WATER CORPORATION, a	)	
California Corporation, for Authority	)	Application No. 55181
to Issue and Sell Not Exceeding 67,500	)	(Filed September 16, 1974)
Shares of Its Common Stock, Par Value	)	
\$5.00 Per Share.	)	

O P I N I O N

Dominguez Water Corporation seeks authority to issue and sell not exceeding 67,500 shares of its \$5 par value common stock.

Applicant is a California corporation engaged in the business of producing and supplying water for residential, commercial, industrial and agricultural consumption in portions of Los Angeles County. For the year 1973 it reports operating revenues and net income in the respective amounts of \$4,327,236 and \$409,054.

The company proposes to offer said 67,500 shares to holders of its outstanding common stock in the ratio of one share for each four shares held. The subscription price would be not less than 85% of the bid price of the common stock at the close of business on the day preceding the date the Registration Statement respecting the rights and new shares of common stock is declared effective by the Securities and Exchange Commission. Transferable Subscription Warrants would be issued to holders of the company's common stock to evidence their rights to subscribe for the stock being offered. In lieu of fractional shares, the holders of warrants would be entitled to subscribe for the next higher whole number of shares, and would be entitled to oversubscribe to the extent shares subject to rights are not purchased.

Applicant proposes to use the stock issue net proceeds to repay a portion of its short-term bank loans aggregating \$1,500,000 on September 3, 1974. The application states that the proposed maximum proceeds to be derived from the common stock offering will be \$607,500.

After consideration the Commission finds that:

1. The proposed stock would be for a proper purpose.
2. Applicant has need for external funds for the purpose set forth in the application.
3. The money, property or labor to be procured or paid for by the stock herein authorized is reasonably required for the purpose specified herein, which 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.

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 it should be allowed to earn on its investment in plant, and that the authorization herein granted is not to be construed as a finding of the value of the company'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:

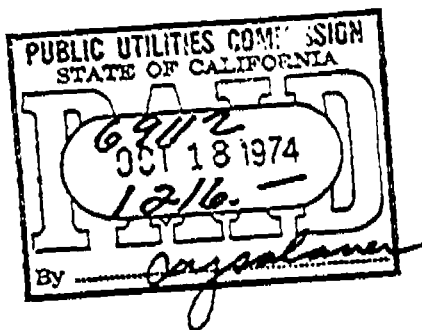
1. Dominguez Water Corporation, on or after the effective date hereof and on or before June 30, 1975, for the purpose set forth in the application, may issue and sell not exceeding 67,500 shares of its common stock, par value \$5 per share, at a price per share not less than 85% of the bid price of its common stock at the close of business on the day preceding the effective date of its Registration Statement relating thereto, upon exercise of Transferable Subscription Warrants initially distributed to the holders of its outstanding common stock.

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

3. As soon as available, Dominguez Water Corporation shall file with the Commission three copies of its prospectus pertaining to said stock.

4. This order shall become effective when Dominguez Water Corporation has paid the fee prescribed by Section 1904.1 of the Public Utilities Code, which fee is \$1,216.

Dated at San Francisco, California, this 8<sup>th</sup> day of October, 1974.



Verano L. Shugart  
President  
William J. ...  
...  
...  
Commissioners