

LSC

ORIGINAL

Decision No. 83849

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of ROSSMOOR SANITATION, INC. for)
Authority to Issue 4,000 Shares)
of its Common Stock.)

Application No. 55341
(Filed November 25, 1974)

O P I N I O N

Rossmoor Sanitation, Inc. seeks authority to issue 4,000 shares of its \$100 par value common stock to Rossmoor Corporation, its parent company.

Applicant is a California corporation operating as a public utility sewer system corporation in a portion of Orange County. As of October 31, 1974, its reported total capital, excluding advances for construction and contributions in aid of construction, consisted of \$1,394,500 long-term debt and \$3,274,191 common stock equity.

The company proposes to issue 4,000 shares of its \$100 par value common stock to Rossmoor Corporation for \$400,000 cash for the purpose of obtaining funds for the purchase of 20 acres of land for the construction of additional effluent storage and disposal facilities.

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.

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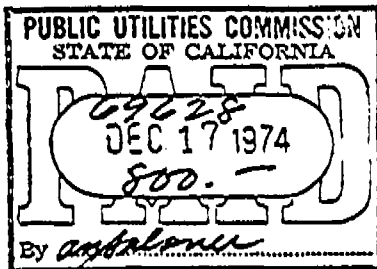
In issuing our order herein, we place applicant and its shareholder on notice that we do not regard the number of shares outstanding, the total par value of the shares nor the dividends paid as measuring the return it should be allowed to earn on its investment in plant, and that the authorization herein 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. Rossmoor Sanitation, Inc., on or after the effective date hereof and on or before April 30, 1975, for the purpose specified in the application, may issue and sell not exceeding 4,000 shares of its \$100 par value common stock to Rossmoor Corporation for \$400,000 cash.
2. Rossmoor Sanitation, Inc. 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 Sanitation, Inc. has paid the fee prescribed by Section 1904.1 of the Public Utilities Code, which fee is \$800.

Dated at San Francisco, California, this 17th day of December, 1974.



Vernon L. Shroyer
President
William J. ...
...
Robert E. Merland
Commissioners