

Decision S4 03 013

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of CALIFORNIA WATER)
SERVICE COMPANY to issue additional)
common stock certificates following)
a split of its common stock.)

Application 84-01-55
(Filed January 25, 1984)

O P I N I O N

California Water Service Company (Cal Water) requests authority, under Public Utilities (PU) Code Sections 816 through 818, to split each of the 1,344,386 outstanding (at December 31, 1983) common shares of Cal Water's Common Stock, \$12.50 par value, into two common shares, \$6.25 par value, and to issue and deliver certificates for the additional shares to present common shareholders on the effective date of the common stock split.

Summary of Decision

This decision grants Cal Water the authority requested in the application.

Notice of the filing of the application appeared on the Commission's Daily Calendar of January 30, 1984. No protests have been received.

Cal Water, a California corporation, operates as a public utility under the jurisdiction of this Commission. Cal Water engages in the sale and distribution of water services in many localities in California from Chico in the north to the Palos Verdes Peninsula in the south.

For calendar year 1983, Cal Water reports it generated operating revenues of \$82,671,721 and net income of \$9,273,789 as shown in its Statement of Income and Earned Surplus attached to the application as part of Exhibit A.

Also shown as part of Exhibit A is Cal Water's Balance Sheet as of December 31, 1983 summarized as follows:

<u>Assets</u>	<u>Amount</u>
Net Utility Plant	\$222,430,563
Other Physical Property-Net	221,682
Current Assets	11,153,993
Deferred Charges	<u>1,550,228</u>
Total	\$235,356,466
 <u>Liabilities and Equity</u>	
Common Equity	\$ 71,099,600
Preferred Stock	6,342,450
Long-Term Debt	88,976,000
Current Liabilities	11,053,486
Advances and Contributions in Aid of Construction	54,414,211
Deferred Credits and Reserves	<u>3,470,719</u>
Total	\$235,356,466

Cal Water proposes to amend its Restated Articles of Incorporation, whereby each outstanding common share of a par value of \$12.50 per share would be split and converted into two common shares of a par value of \$6.25 per share. Cal Water does not intend to require the outstanding share certificates to be exchanged, but they would represent common shares of the par value of \$6.25 per share instead of the present \$12.50 stated thereon.

Each of the holders of outstanding common shares would be mailed a certificate or certificates for one additional common share of the par value of \$6.25 per share for each share of the par value of \$12.50 held of record on the date when the amendment becomes effective. The proposed stock split would not result in any change in Cal Water's capital stock or earned surplus accounts.

Cal Water contends that the proposed stock split would broaden the market for its common shares and would result in a wider distribution and increased number of shareholders, all of which would facilitate future financing.

The Commission's Revenue Requirements Division has reviewed Cal Water's proposal to split its Common Stock, \$12.50 par value on a two for one ratio and to issue stock certificates having a par value of \$6.25 to present stockholders. The Division has no objection to Cal Water's proposal.

Findings of Fact

1. Cal Water, a California corporation, operates as a public utility under the jurisdiction of this Commission.
2. The proposed stock split and issuance of stock certificates would be for a proper purpose.
3. The proposed stock split will not be adverse to the public interest.

4. The proposed stock split and issuance of stock certificates will not change Cal Water's capital structure.

5. There is no known opposition to the application and no reason to delay granting the authority requested.

Conclusions of Law

1. A public hearing is not necessary.

2. The application should be granted to the extent set forth in the order which follows.

The number of common shares outstanding, the total par value of the shares, and the dividends paid do not determine allowable return on plant investment. This authorization to split Cal Water's Common Stock, \$12.50 par value, into shares having a par value of \$6.25 and the issuance of stock certificates to present shareholders is not a finding of the value of Cal Water's stock or property nor does it indicate the amounts to be included in rate setting proceedings.

The following order should be effective on the date of signature to permit Cal Water to proceed with its stock split and other transactions as outlined in its application expeditiously.

O R D E R

IT IS ORDERED that California Water Service Company (Cal Water) may issue to each of the holders of its outstanding common shares a stock certificate or certificates for one additional common share of the par value of \$6.25 per share for each share of the par value of \$12.50 held of record on the date of the filing of a Certificate of Amendment of its Restated Articles of Incorporation, substantially as set forth in Exhibit B attached to the application.

This order is effective today.

Dated MAR 7 1984 at San Francisco, California.

VICTOR CALVO
PRISCILLA C. GREW
DONALD VIAL
WILLIAM T. BAGLEY
Commissioners

Commissioner Leonard M. Grimes, Jr.,
being necessarily absent, did not
participate.

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY:


Joseph E. Boudreau, Executive Director