

Decision No. 86998

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of SAN JOSE WATER WORKS)
 to issue additional stock certificates)
 following a split of its Common Stock.)

Application No. 57029
 (Filed January 24, 1977)

O P I N I O N

San Jose Water Works seeks authority to issue certificates representing \$6.25 par value common stock following a proposed split of its \$12.50 par value common stock.

Applicant is a California corporation engaged in the retail water business in portions of Santa Clara County.

By proposed amendment of the company's Articles of Incorporation each outstanding common share of a par value of \$12.50 per share would be split up and converted into two common shares of a par value of \$6.25 per share. Applicant 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 said amendment becomes effective. The proposed stock split would not result in any change in applicant's capital or surplus.

It appears that the proposed stock split would broaden the market for the utility's common shares and would result in a wider distribution and increased number of shareholders, all of which would facilitate future financing.

After consideration the Commission finds that:

1. The proposed stock certificates would be for a proper purpose.
2. The money, property or labor to be procured or paid for by the stock certificates 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.
3. The matter is noncontroversial and there is no reason to delay granting the requested authority.

On the basis of the foregoing findings we conclude that the application should be granted, and that the effective date of the order should be the date on which it is signed. A public hearing is not necessary. The authorization herein granted is not to be construed as a finding of the value of applicant'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 San Jose Water Works may issue to each of the holders of its outstanding common shares 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 effective date of an Amendment of its Articles of Incorporation substantially as set forth in Exhibit B attached to the application.

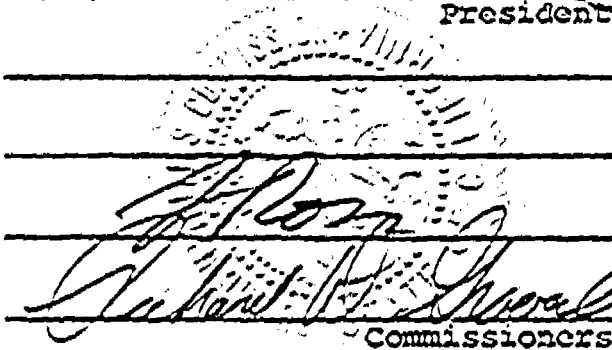
IT IS FURTHER ORDERED that San Jose Water Works shall file with the Commission a report, or reports, as required by General Order 24-B, which order, insofar as applicable, is hereby made a part of this order.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 29th day of February, 1977.



President



Commissioners

Commissioner William Symons, Jr., being necessarily absent, did not participate in the disposition of this proceeding.

Commissioner Vernon L. Sturgeon, being necessarily absent, did not participate in the disposition of this proceeding.