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Decision No. 11879.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of
PLACENTIA DOMESTIC WATER COMPANY,
a corporation, for an order authorizing
issue of stock and for the purchase
of the plant, works and property
of the Placentia Domestic Water System
heretofore operated by A.S. Bradford,
Trustee,

Application Number 8789.

ORIGINAL

E. W. Camp, for applicants.

BY THE COMMISSION:

O P I N I O N

In this application the Railroad Commission is asked to make an order authorizing PLACENTIA DOMESTIC WATER COMPANY to issue \$30,000. of its capital stock to acquire the water system and properties located in the Town of Placentia in Orange County.

A public hearing was held before Examiner Williams in Los Angeles on March 23, 1923.

The application shows that Placentia Domestic Water Company was organized on or about January 6, 1923, with an authorized capital stock of \$50,000.00, divided into 5000 shares of the par value of \$10. each. It appears that the corporation was formed for the purpose of acquiring the water system at Placentia which is at present owned by A. S. Bradford, W. H. Brewer, E. W. Camp and J. R. Hitchcock and which is operated by A. S. Bradford as trustee for the owners. It is reported that this system, which was started in 1910 to facilitate the sale of real estate, serves about 300 consumers and that during 1920 the oper-

ting revenues were \$4,493.41, during 1921 \$7,882.65 and during 1922 \$8,079.90. After paying operating and other expenses the owners report a loss in 1920 of \$30.76, and a profit in 1921 of \$3,118.80 and in 1922 of \$3,455.15.

The properties comprising this water system are reported to include two small lots within the townsite upon which are located two wells, the source of supply, three tanks, one of galvanized iron and two of steel, and an aggregate capacity of 70,000 gallons, two pumps, a motor of 25 horsepower, approximately 29,960 feet of 2, 3, 4 and 6 inch pipe, and 306 meters. The Commission heretofore in Decision Number 8594, dated January 26, 1921, in adjusting rates, used as a rate base for these properties, the sum of \$27,743.00. It appears that additions and betterments were made during 1921 of \$1,929.15 and during 1922 of \$1,247.48, which amounts, added to the rate base, produce a total figure for the properties of \$30,919.63.

The present owners have concluded that these properties can be operated more economically and efficiently by a corporation and for that reason have caused the organization of applicant, Placontia Domestic Water Company, which proposes to acquire the system, free and clear of all liens and encumbrances for \$30,000.00 in stock. It appears that no change in the control or management of the business will result from the proposed transfer of properties, as the stock will be held in equal amounts by the present owners, and that the public will be given service equal or superior to that now given.

O R D E R

Application having been made to the Railroad Commission for an order authorizing the transfer of properties and the issue of stock, a public hearing having been held, and the Railroad Commission being

of the opinion that the application should be granted as herein provided;

IT IS HEREBY ORDERED that A. S. Bradford, as trustee, and A. S. Bradford, W. H. Brewer, E. W. Camp and J. R. Hitchcock be, and they are hereby, authorized to transfer and assign the water properties and business located at Placentia and referred to in the foregoing opinion and in this application to Placentia Domestic Water Company for \$30,000.00 in stock.

IT IS HEREBY FURTHER ORDERED that PLACENTIA DOMESTIC WATER COMPANY be, and it is hereby, authorized to issue and deliver \$30,000. of its capital stock in full payment for such properties.

The authority herein granted is subject to further conditions as follows:-

1. -- The price at which the properties are herein authorized to be transferred shall not be binding upon the Railroad Commission, or other court or public body, as a measure of value of such properties for any purpose other than the transfer herein authorized.
2. -- Placentia Domestic Water Company shall advise the Commission of the exact date upon which it acquires ownership of the properties and it shall file with the Commission a certified copy of the deed by which it acquires title to the properties, as authorized in this order, within 30 days after execution of such deed.
3. -- Placentia Domestic Water Company shall keep such record of the issue and delivery of the stock herein authorized as will enable it to file within 30 days after such issue, a verified statement, as required by the Railroad Commission's General Order No. 24, which order, in so

far as applicable, is made a part of this order.

4.. The authority herein granted to transfer properties and to issue stock will become effective upon the date hereof and will expire on July 15, 1923.

DATED at San Francisco, California, this 2nd day of April, 1923.

W. H. Scammon

H. B. Brandt

Dwight Martin

Commissioners.