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Decision No. 12178.

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE
STATE OF CALIFORNIA

In the Matter of the Application of)
SAN JOSE WATER WORKS,)
a corporation, for permission to sell)
stock and pay outstanding notes.)

Application No. 9063

Joseph R. Ryland, for Applicant.

BY THE COMMISSION:

O P I N I O N .

SAN JOSE WATER WORKS asks permission to issue and sell, at not less than par, \$255,200.00 of its common capital stock and to use the proceeds to pay notes aggregating \$230,200.00 and to reimburse its treasury in the amount of \$25,000.00 on account of earnings expended for extensions, additions and betterments.

A public hearing was held before Examiner Fankhauser in San Francisco.

San Jose Water Works was incorporated on or about February 1, 1916, and has an authorized capital stock of \$5,000,000.00, divided into 50,000 shares of the par value of \$100.00 each, all shares being common. It appears that at present there is \$2,401,900.00 of stock outstanding, of which \$1,500,000.00 was delivered in part payment for the properties of San Jose Water Company and \$901,900.00 was sold to finance the cost of capital additions to applicant's properties made prior to March 31, 1922.

The company reports in this application that from March 31, 1922, to April 30, 1923, it expended for fixed capital the sum of \$324,037.06, which expenditures it segregates as follows:

INTANGIBLE CAPITAL:

Organization 263.00

TANGIBLE CAPITAL:

Land and Buildings:

Land devoted to water operations.....\$54,758.99
Buildings, Structures and grounds..... 5,348.37 60,107.36

Source of Water Supply:

Impounding Dams and Reservoirs..... 28,142.32
Lake and River Cribbs..... 13.00
Wells..... 15,703.54
Canals and Conduits..... 1,659.31 45,518.17

Pumping Station Equipment:

Pumping Equipment 37,764.98

Transmission and Distribution Capital:

Transmission Mains or Canals..... 2,585.15
Distribution Mains or Canals.....100,935.28
Hydrants, Fire Cisterns, etc..... 1,159.42
Services..... 17,526.54
Meters..... 53,928.58 176,134.97

General Capital:

General Offices equipment..... 151.00
General Shop equipment..... 763.58
General Stable and Garage equipment.... 3,334.00 4,248.58

T o t a l \$324,037.06

The record shows that applicant has borrowed \$230,200.00 on short term notes and has used \$25,000.00 of earnings to pay or provide for a portion of these expenditures. It now requests permission to finance permanently such portion by issuing stock to pay notes and to reimburse its treasury. We believe the request should be granted, as provided in the following order:

O R D E R.

SAN JOSE WATER WORKS having applied to the Railroad Commission for permission to issue and sell \$255,200.00 of common stock, a public hearing having been held and the Railroad Commission being of the opinion that the money, property or labor to be procured or paid for by such issue and sale is reasonably required by applicant for the purposes specified herein;

