

Decision No. 13271.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of)
EL DORADO WATER CORPORATION,)
a corporation, for an order author-)
izing the issue and sale of its)
preferred stock.)

Application Number 9851

ORIGINAL

R. W. Browne, for Applicant.

BY THE COMMISSION:

OPINION

In this application El Dorado Water Corporation asks permission to issue and sell at not less than 92 percent. of par value \$45,000.00 of its seven percent. preferred stock for the purpose of financing the cost of extensions, additions and betterments to its plants and properties and of paying outstanding indebtedness.

The record shows that El Dorado Water Corporation during July, 1922, commenced the construction of a dam on the North Fork of the Webber Creek, about six and one half miles from Placerville, the cost of which, together with canals, tunnels and pipe lines was estimated at \$225,000.00. It is reported that up to the present time the dam has been constructed to a height of ninety feet, with a storage capacity of two thousand acre feet; that outlet gates have been installed and the spillway built, and that in addition, one hundred twenty feet of pipe line have been put in place, a tunnel 1150 feet long finished, a ditch 7,000 feet long completed and a ditch 3,000

feet long partially completed; and that a reservoir site of seventy acres and rights of way for the entire line have been purchased.

The testimony of R. W. Browne, applicant's assistant secretary, shows that approximately \$195,000.00 heretofore has been expended in constructing the Webber Creek project and that about \$30,000.00 additional will be needed to complete the work, it being necessary to construct about five miles of ditch line before the dam is ready for use. Of the \$30,000.00 it appears that \$16,000.00 will be expended to construct the ditch, \$2,250.00 to complete the ditch partially built, \$9,275.00 for pipe line, and \$2,475.00 for engineering and overhead. In addition to the \$30,000.00 for construction work, the application shows that the company intends to spend \$15,000.00 to pay amounts due for work done and materials purchased and \$10,000.00 to pay notes which represent indebtedness incurred for construction work.

It is to obtain a portion of the \$55,000.00 now reported by applicant as necessary to complete its Webber Creek development and to pay indebtedness that this application has been made for permission to issue and sell \$45,000.00 of stock. The company reports that it has received subscriptions for the sale of \$25,000.00 of the stock at par and that it hopes to dispose of the balance of \$20,000.00 at not less than \$92.00 per share.

ORDER

El Dorado Water Corporation, having applied to the Railroad Commission for permission to issue and sell stock, a public hearing having been held before Examiner Fankhauser, and the Railroad Commission being of the opinion that the money, property or labor to be procured or paid for through the issue and sale of such stock, is reasonably required by applicant for the purposes specified herein, and that the expenditures for such purposes are not in whole or in part reasonably chargeable to operating expenses or to income,

IT IS HEREBY ORDERED that El Dorado Water Corporation be, and it is hereby, authorized to issue \$45,000.00 of its seven percent. pre-

ferred stock and sell for cash at not less than par \$25,000.00 of said stock and at not less than 92 percent. of par value net, \$20,000.00 of said stock and to use the proceeds for the purpose of financing in part the cost of the construction work and of paying the outstanding indebtedness to which reference is made in the Opinion which precedes this order.

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

1. Applicant shall keep such record of the issue, sale and delivery of the stock herein authorized and of the disposition of the proceeds as will enable it to file on or before the 25th day of each month a verified report, 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.
2. The authority herein granted will become effective upon the date of this order, but will expire on December 31, 1924.

DATED at San Francisco, California, this 14th day of March, 1924.

C. C. Seavey
H. A. B. Rounding
Irving Martin
Egerton Shore

Commissioners.