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Decision No. 13723.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of the)
PETALUMA POWER AND WATER COMPANY,)
a corporation, for permission and order) Application Number 10095
to issue and sell additional preferred)
stock.)

A. B. Hill, for Applicant.

BY THE COMMISSION:

O P I N I O N

In the above entitled matter Petaluma Power and Water Company asks the Railroad Commission to make an order authorizing it to issue and sell \$15,000.00 of its seven percent. preferred stock for the purpose of financing the cost of construction work.

Petaluma Power and Water Company is engaged in the business of supplying water for domestic, manufacturing and municipal purposes in and about the City of Petaluma, Sonoma County. The company reports that on December 30, 1921 it served 1950 consumers; on December 30, 1922, 2050 consumers; and on December 30, 1923, 2216 consumers. The source of supply of water consists of wells and creeks in the vicinity, of which the former are said to be producing about 500,000 gallons daily at present, and the latter from 150,000 gallons to 225,000 gallons daily. According to testimony herein, the amount of storage is about 40,000,000 gallons and the volume of water delivered daily ranges from 700,000 to 1,000,000 gallons.

It is reported in this proceeding that the company, in order to maintain its service and to take care of new consumers, has found

it necessary to increase its source of supply and to install additional pipe lines. As shown in Exhibits "A" and "B", attached to the application, the company has expended, or will expend, \$5,990.00 for wells and pumping equipment, and \$4,649.32 for extensions, making a total of \$10,639.32. The \$5,990.00, it appears, includes \$1,500.00 for boring four sixteen inch wells to a depth of 95 feet, \$1,875.00 for casing, \$1,450.00 for pump, housing and installation, \$890.00 for a three stage Byron Jackson turbine and \$275.00 for fittings and valves and laying pipe and connecting up. The item of \$4,649.32 for extensions consists of \$1,136.52 for approximately 2,000 feet of three inch class "B" cast iron pipe, \$1,280.00 for 3200 feet of three inch steel water pipe, \$245.00 for 1,000 feet of two inch galvanized pipe, \$480.80 for meters, services and fittings and \$1,507.00 for labor.

The company asks permission to sell the \$15,000.00 of stock at par and to use \$10,639.32 of the proceeds to finance the cost of the construction to which reference is hereinabove made. It further asks permission to use the remaining proceeds to provide for an additional source of water. In this connection applicant reports that the present supply will be inadequate to meet all the needs of the consumers and that it will be necessary for it to find and develop some additional source of supply. Applicant was not in a position at the hearing, however, to advise the Commission definitely what amount must be expended for this purpose.

The order herein will authorize Petaluma Power and Water Company to use \$10,639.32 of the proceeds for the purposes specified in Exhibits "A" and "B" and for no other. In the event the company desires to use proceeds in addition to the \$10,639.32, or for purposes other than those indicated, it should file a supplemental petition requesting a modification of this order.

O R D E R

Petaluma Power and Water Company having applied to the Railroad Commission for permission to issue and sell \$15,000.00 of preferred 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 thereby, 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 Petaluma Power and Water Company be, and it is hereby, authorized to issue and sell, on or before February 28, 1925, at not less than par, \$15,000.00 of its seven percent. preferred stock.

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

1. Applicant may use not exceeding \$10,639.32 of the proceeds received from the sale of the stock herein authorized to finance the cost of the extensions, additions and betterments described in Exhibits "A" and "B". The remaining proceeds, and such portion of the \$10,639.32 not needed for the purpose herein specified, may be expended only when authorized by the Commission in subsequent orders.
2. 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.

3. The authority herein granted will become effective upon the date hereof.

DATED at San Francisco, California, this 28th day of June, 1924.

CL Seaver

David Martin
Egerton Shore

Commissioners.