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Decision No. 14274.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
THE HAINES CANYON WATER COMPANY, )  
a corporation, for an order author- ) Application Number 10584  
izing the issue of bonds. )

Evans, Pearce and Campbell,  
by W. H. Campbell, for Applicant.

BY THE COMMISSION:

O P I N I O N

In this application Haines Canyon Water Company asks permission to issue and sell \$26,000.00 of its first mortgage bonds at not less than 93 percent. of face value plus accrued interest, and to use the proceeds to reimburse its treasury on account of moneys expended for extensions, additions and betterments during the period from December 1, 1923 to September 30, 1924.

Haines Canyon Water Company is engaged in the business of supplying water for domestic and other purposes to consumers in and about the unincorporated town of Tujunga, Los Angeles County. As of December 31, 1922 it reported 1124 consumers; as of December 31, 1923, 1477; and at present, approximately 1750.

The revenues and expenses of the company, for the nine months ending September 30, 1924, and the years ending December 31,

1922 and 1923 have been reported to the Commission as follows:-

ITEM	9 Mos.		
	1924	1923	1922
Operating revenues	\$32,572.64	\$33,994.13	\$23,471.93
Operating expenses	19,005.23	21,415.34	19,023.43
Nonoperating revenues	13,557.41	12,578.79	4,448.50
<b>DEDUCT:-</b>			
Interest	5,300.52	2,100.00	2,100.00
Uncollectible bills	-	299.09	-
Miscellaneous	1,639.94	601.63	509.26
Total.....	6,940.46	3,000.72	2,609.26
Balance for period.....	\$ 6,626.95	9,578.07	1,839.24

By Decision Number 12933, dated December 17, 1923, as amended by Decision Number 13530, dated May 7, 1924, the Commission authorized applicant to execute a mortgage to secure the payment of a total issue of \$250,000.00 of first mortgage twenty year bonds, dated December 1, 1923. The order of the Commission permitted the company to issue, at that time, \$110,000.00 of bonds designated as Series "A" and bearing interest at seven percent. per annum. The present application involves the issue of \$26,000.00 of additional bonds to be designated Series "B" and to bear interest at six and one half percent. per annum.

Applicant reports that it has made arrangements to sell its bonds at 93 percent. of face value plus accrued interest. It asks permission to use the proceeds to reimburse its treasury on account of moneys expended for extensions, additions and betterments from December 1, 1923 to September 30, 1924. During this period it reports expenditures for these purposes at \$34,684.15, as shown in some detail in Exhibit "B" attached to the application. It is of record that after reimbursement the proceeds from the bonds herein applied for will be used to pay indebtedness, to maintain the cash position and to finance the cost of additional capital expenditures.

At the conclusion of the program outlined in this application the company will have \$136,000.00 of bonds and \$100,000.00 of common stock outstanding against its properties. In connection with Application Number 7593, in which matter the company asked for permission to increase rates, the engineering department of the Commission made an appraisal of the properties and estimated the original cost as of April 1, 1922 as \$172,867.00. By adding to this figure amounts expended for additions and betterments from April 1, 1922 to October 31, 1924, applicant in its Exhibit No. 1 reports its total investment in fixed capital as of October 31, 1924, as \$242,197.74.

#### ORDER

Haines Canyon Water Company having applied to the Railroad Commission for permission to issue and sell bonds, 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 such issue and sale of bonds is reasonably required 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 Haines Canyon Water Company be, and it is hereby, authorized to issue and sell on or before February 28, 1925, \$26,000.00 of its first mortgage Series "B" six and one half percent. bonds.

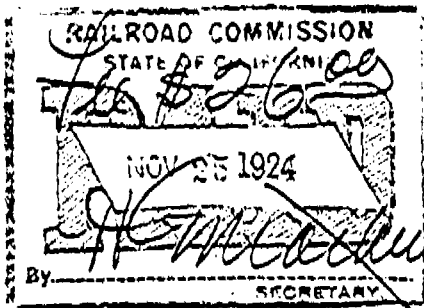
The authority herein granted is subject to the following conditions:-

1. Applicant may sell the bonds herein authorized at not less than ninety-three percent. of face

value plus accrued interest and use the proceeds to finance in part the cost of the extensions, additions and betterments to its plants and properties referred to in Exhibit "B".

2. Haines Canyon Water Company shall keep such record of the issue, sale and delivery of the bonds 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 when applicant has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is \$26.00.

DATED at San Francisco, California, this 21st day of November, 1924.



C. S. Seaver  
          
Dwight Martin  
          
J. T. Whittsey  
Commissioners.