

LEM

Decision No. 14618-

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

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In the matter of the application  
of PINEDALE WATER COMPANY  
for a certificate of public conven-  
ience and for the establishment of  
rates.

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}  
} Application No. 10004  
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}

ORIGINAL

In the matter of the application  
of PINEDALE WATER COMPANY for an  
order authorizing the issue of  
stock.

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}  
} Application No. 10005  
}  
}

BY THE COMMISSION:

FIRST SUPPLEMENTAL ORDER

In a supplemental petition filed in the above entitled matters on December 1, 1924, as amended on February 2, 1925, Pinedale Water Company asks the Railroad Commission to make an order modifying Decision No. 13721, dated June 20, 1924, in the manner hereinafter set forth.

By Decision No. 13721 the Commission, among other things, granted a certificate of public convenience and necessity to Pinedale Water Company and authorized the company to issue and sell, at not less than par, \$20,000. of its common capital stock and to deliver approximately \$15,000. of such stock, or the proceeds from approximately \$15,000. of stock, to Pinedale Realty Company in payment for properties, to use the proceeds from \$300. of such stock for working capital and to use the remaining proceeds for such purposes as the Commission might authorize in supplemental orders.

It developed at the hearing held on the original application herein that the source of supply of water for the system applicant proposed to acquire from Pinedale Realty Company was a well owned and operated by the Sugar Pine Lumber Company, water being obtained by the water system under a verbal agreement free of charge. The Commission in its decision recited that these arrangements were not entirely satisfactory and that steps should be taken forthwith by the water company to develop its own source of supply on property owned by it, and that the verbal agreement with Sugar Pine Lumber Company should be reduced to writing.

Accordingly, the order of the Commission directed the company forthwith to undertake the development of an adequate water supply on property owned by it, such development to be undertaken immediately and prosecuted with due diligence in order that a more adequate water supply might be available to applicant's consumers on or before February 1, 1925, and also to submit to the Commission for approval a copy of the contract under the terms of which it could obtain water from the Sugar Pine Lumber Company's well.

Pursuant to the authority granted by Decision No. 13721, Pinedale Water Company has filed with the Commission its schedule of rates and charges and its rules and regulations governing service to its consumers, and it reports that it has issued and sold the \$20,000. of stock at par and has used \$15,187.40 of the proceeds to acquire the properties of Pinedale Realty Company and that it has on hand proceeds from the sale of its stock in the amount of \$4,812.60.

The company now asks the Commission to modify its order so as to permit it, in lieu of developing a water supply at this time on property owned by it, to enter into an agreement with Sugar Pine Lumber Company which will permit it to obtain water from the well on the property of the lumber company for a period of five years. It reports that during this five year period it will undertake to develop a permanent source of water as indicated in Decision No. 13721.

A copy of the proposed agreement with Sugar Pine Lumber Company has been filed with the Commission. Under its terms applicant will lease the well, from which it obtains water for its system, together with the necessary land upon which it is situate, and pumping plant, tanks and appurtenances, with the right to produce, take and use all the water from the well, and premises, necessary to supply its water system. Applicant agrees, in consideration, to furnish the lumber company with drinking water limited to a maximum of 1500 gallons in each twenty-four hours during the months of May to October, inclusive, during each year of the agreement, and to a maximum of 600 gallons a day during the remaining months of each year. Except for this provision the entire supply will be devoted to furnishing water to consumers on applicant's system. The agreement runs for a period of five years but may be terminated at any time at the option of applicant upon sixty days written notice.

If the proposed agreement be approved, it is applicant's intention to make certain improvements consisting in raising the storage tank, in making necessary additions to pumping connections, in replacing the three-inch pipe now connecting the well with the distributing system with a four-inch pipe, in replacing certain two-inch pipe with three-inch pipe and in laying additional pipe. These expenditures are described in applicant's Amended Exhibit "C" filed with the Commission on February 2, 1925, as follows:-

ALTERATIONS AT WELL HEAD

Material for new 40-foot tower	\$529.84	
Setting up tower and assembling existing 21,000 gallon tank thereon	550.00	
Necessary additions to the pumping connections	<u>200.00</u>	\$1,279.84

PIPE WORK IN TOWNSITE

Laying 2-inch connecting line along College Avenue from Fir to the Alley north of Pinedale Street (1750 feet), 450 additional feet, and fittings-\$135.00; Labor- \$437.50; Total . \$572.50

Replacing the 3-inch pipe now connecting the well with the townsite with a 4-inch pipe, 450 feet; 450 feet pipe and fittings-\$285.00; Labor \$112.50; Total 397.50

Relaying main along Helm Avenue in said townsite with 3-inch pipe, from Fir to the Alley north of Minarets in said townsite (3-inch pipe now on hand) (1300 feet); 500 additional feet and fittings-\$185.00; Labor \$325.00; Total 510.00 \$1,480.00

TOTAL \$2,759.84

Applicant asks permission to use \$2,759.84 of the proceeds from the sale of its stock to finance the cost of these expenditures.

The Commission has given consideration to applicant's requests and believes they should be granted, as herein provided, therefore,

IT IS HEREBY ORDERED that Pinedale Water Company be, and it is hereby, authorized to execute an agreement, substantially in the same form as the agreement filed with the Commission on February 2, 1925 as Exhibit "B" to the amended first supplemental application, in lieu of developing water on its own land at this time, as provided by Condition "4" of the order in Decision No. 13721 dated June 20, 1924, provided however that the Commission reserves its right to require applicant at any future time, to proceed with the development of a water supply upon property owned by it.

IT IS HEREBY FURTHER ORDERED that the order in Decision No. 13721, dated June 20th, 1924, be, and it is hereby, modified so as to permit Pinedale Water Company to use approximately \$2,759.84 of the proceeds received from the sale of the stock authorized therein to finance the cost of the improvements, additions and betterments to which reference is made herein.

IT IS HEREBY FURTHER ORDERED that the order in Decision No. 13721 dated June 20th, 1924, shall remain in full force and effect, except as modified by this First Supplemental Order.

DATED at San Francisco, California, this 27<sup>th</sup> day of February, 1925.

H. H. Brundage  
C. L. Seaver  
Egerton Shaw  
George D. Squires  
Emundson

Commissioners.