

Decision No. 22156**ORIGINAL**

## BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 PALOS VERDES WATER COMPANY, )  
 a corporation, for an order author- )  
 izing the sale of one hundred sixty- ) Application No. 17046  
 five (165) shares of its capital )  
 stock. )

Woodruff, Musick & Hartke, by Harold E. Streight,  
 for applicant.

BY THE COMMISSION:

OPINION AND ORDER

Palos Verdes Water Company has applied to the Railroad Commission for authority to issue \$16,500.00 of its common capital stock at par to Palos Verdes Corporation in payment of indebtedness incurred for construction purposes.

The application shows that Palos Verdes Water Company has an authorized capital stock of \$500,000.00, divided into 5,000 shares of the par value of \$100.00 each, all common, of which the company heretofore, under authorizations made by the Commission, issued at par, \$465,000.00 of such stock to pay for its water plants and properties and to finance the cost of additions and betterments installed prior to September 30, 1929.

In now seeking permission to issue an additional \$16,500.00 of stock, applicant reports that between October 1, 1929

and October 31, 1930, it expended for additions and betterments the sum of \$20,598.14, which was provided in part by advances of \$16,500.00 from Palos Verdes Corporation, a corporation owning a large tract of land situated within applicant's service area. Applicant now desires to discharge the indebtedness to Palos Verdes Corporation by issuing to it \$16,500.00 of stock at par. The latter corporation has signified its willingness to accept the stock in payment of its advances.

It appears to us that this is not a matter in which a public hearing is necessary and that the application should be granted, as provided herein. The expenditures of \$20,598.14 have been described and set forth in detail in monthly statements heretofore filed with the Commission, and it appears to us that the money, property or labor to be procured or paid for through the proposed stock issue is reasonably required by applicant and that such expenditures are not, in whole or in part, reasonably chargeable to operating expense or to income, therefore,

IT IS HEREBY ORDERED, that Palos Verdes Water Company be, and it hereby is, authorized to issue at par \$16,500.00 of its common capital stock to pay indebtedness of like amount due Palos Verdes Corporation and through such payment to finance in part the expenditures of \$20,598.14, referred to herein.

The authority herein granted is subject to the following conditions:

(1) Applicant shall keep such record of the issue 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, insofar as applicable, is made a part

of this order.

(2) The authority herein granted will become effective ten days after the date hereof.

DATED at San Francisco, California, this 10th day of December, 1930.

C. L. Seaver  
Edwin C. ...

Wm. D. ...

Commissioners.