

Decision No. _____

ORIGINAL

Decision No. 5367

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

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In the matter of the application of BYRON-BETHANY IRRIGATION COMPANY for an order granting to it a certificate of public convenience and necessity approving and confirming former issues of stock, and authorizing the sale and issuance of additional stock of said corporation.

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) Application No. 3535.
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Cary Howard for applicant.

BY THE COMMISSION:

O P I N I O N

Byron Bethany Irrigation Company, a corporation, applies for authority to issue its capital stock, partly in exchange for stock heretofore issued without authority and partly to procure additional capital to be used in constructing and paying for its irrigation plants and system.

A public hearing in the matter was held by Examiner Westover at San Francisco.

Applicant was organized in 1914, as a mutual water company, with a capital stock of \$100,000 divided into 10,000 shares of the par value of \$10 each for the purpose of providing for the irrigation of lands in Alameda, Contra Costa and San Joaquin Counties; and

was subsequently reorganized as a public utility corporation by amending its articles of incorporation about February 16, 1917.

Preliminary declaration that public convenience and necessity require the construction and operation of its system is contained in the Commission's Decision Number 4366 of June 1, 1917.

Applicant's system is still under construction, about 13 miles of main canal and about 12 miles of laterals being already completed.

Applicant heretofore sold 6288 shares of its capital stock before its articles of incorporation were amended. Of these shares 4905 had been issued prior to the amendment of the articles, and \$49,050 paid therefor. Upon the remaining 1383 shares sold, partial payments have been made but none of said shares have been issued. To avoid any question of the validity of its stock heretofore issued, applicant now asks authority as a public utility to issue new certificates in exchange for the certificates issued prior to the said amendment of its articles of incorporation.

Applicant also wishes authority to issue the remaining 5,095 shares of its capital stock, for which no certificates have heretofore been issued. Some of the more recent sales of stock have been at the price of \$12.50 per share, and applicant believes that it can sell its stock at that price.

Applicant reports the total cost of its plants and system to March 30, 1918 at \$138,142.76, and submits its engineer's estimate of the cost of completion amounting to \$48,640.50, or an estimated total of \$186,783.26.

Of the above amounts, about \$47,000 has been borrowed on short term notes, and \$63,962.60 has been furnished by stockholders in cash and rights of way.

O R D E R.

BYRON-BETHANY IRRIGATION COMPANY having applied to the Railroad Commission for authority to issue certificates of its capital stock in exchange for certificates of stock heretofore issued by it, and also for authority to issue stock and use the proceeds in the construction of its irrigation plants and system, and a public hearing having been held thereon, and the Commission finding that the money is reasonably required for the purposes specified in this order, which purposes are not in whole or in part reasonably chargeable to operating expenses or to income,

IT IS HEREBY ORDERED that Byron-Bethany Irrigation Company be, and it is hereby, authorized to issue certificates for 4905 shares of its capital stock upon the surrender and cancellation of certificates for 4905 shares of its capital stock heretofore issued without authority of the Commission; and said applicant is further authorized to issue the remaining 5095 shares of its capital stock at not less than its par value of \$10.00 per share and use the proceeds thereof for the purpose of constructing its irrigation plants and system.

The authority herein contained is upon the following conditions:

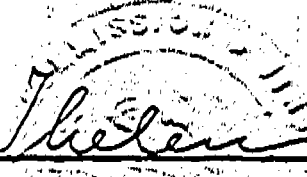
- (1).-- Said 5095 shares of stock shall be issued at a price to net applicant not less than \$10.00 per share.

(2).-- The authority to issue stock shall apply only to such stock as may be issued within one year from date hereof.

(3).-- On the 25th day of each month applicant shall make verified report in writing to the Railroad Commission of the stock issued, the application of the proceeds thereof, and furnish such information as is required by General Order Number 24, which order, in so far as applicable, is made a part of this order.

(4).-- Nothing herein contained shall be construed as a finding by this Commission of the value of applicant's plant or system or properties.

Dated at San Francisco, California, this 30th
day of April, 1918.


Max Thelen
H. D. Donaldson
W. L. Gordon

Commissioners.