

ORIGINAL

Decision No. 5447

Decision No. ✓

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

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In the Matter of the Application of )  
 PORTOLA WATER COMPANY, )  
 a corporation, to make additional )  
 capital investment in its public ) Application Number 3755.  
 utility and to issue its security )  
 in order to secure funds therefor. )

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BY THE COMMISSION.

O P I N I O N.

PORTOLA WATER COMPANY asks authority to issue at par \$2,200.00 of its common capital stock and use the proceeds for the purposes hereinafter referred to.

A hearing was held on this application before Examiner Westover at San Francisco on May 25, 1918.

The Railroad Commission by Decision Number 5388, dated May 8, 1918, authorized N.F. Golden, J.H. Golden, E.I. Lane and E.V. Darby, co-partners, doing business under the firm name and style of the Portola Water Company, to transfer their public utility properties to the Portola Water Company, a corporation. The Commission authorized the purchasing company to issue \$12,000.00 of its common capital stock in payment for the properties.

In the petition now before the Commission it is alleged that applicant's developed water supply is inadequate, that it is the owner of a spring situate about 11,500 feet from its reservoir, that this spring will furnish at all seasons of the year about 17,280 gallons of water per day of 24 hours and that such water is pure and suitable

for the purpose of the corporation. Applicant estimates that by an expenditure of \$2,000.00 it can connect the spring with its reservoir. Of this amount it would expend \$1,380.00 for 11,500 feet of two inch pipe, \$170.00 for freight and other cost of delivering the pipe on the ground and \$450.00 for installation. The engineering department of the Railroad Commission has checked the proposed expenditures and finds them to be reasonable.

In addition to expending \$2,000.00 for developing an additional water supply applicant asks permission to use \$200.00 to pay organization and other expenses incidental to the incorporation of Portola Water Company as set forth in the petition herein.

#### O R D E R

PORTOLA WATER COMPANY having applied to the Railroad Commission for authority to issue \$2,200.00 par value of its common capital stock, a public hearing having been held, and the Railroad Commission being of the opinion that the money, property or labor to be procured or paid for by such issue is reasonably required for the purpose or purposes specified in the order and that such purpose or purpose are not in whole or in part reasonably chargeable to operating expenses or to income;

IT IS HEREBY ORDERED that Portola Water Company be, and it is hereby, granted authority to issue at not less than the par value thereof, \$2,200.00 of its common capital stock, upon the following conditions and not otherwise:-

1.-Of the proceeds obtained from the issue of said stock, an amount not exceeding \$2,000.00 shall be used for the development of the additional water supply referred to in the petition herein.

2.-If the proceeds obtained from the issue of said stock an amount not in excess of \$200.00 shall be used to pay organization and other expenses in connection with the incorporation of Portola Water Company, referred to in the petition herein.

3.-Portola Water Company shall keep separate, true and accurate accounts showing the receipt and application in detail of the proceeds from the sale of the stock herein authorized to be issued and on or before the twenty-fifth day of each month, until all of said stock has been issued and the proceeds obtained therefrom expended, make verified reports to the Railroad Commission, in accordance with the Commission's General Order No. 24, which order, in so far as applicable, is made a part of this order.

4.-The authority herein granted shall apply only to such stock as shall have been issued on or before October 1, 1918.

Dated at San Francisco, California, this 28th day of May, 1918.

Manuel I. De la Cruz

H. B. Stewart

Alex. Gordon

Edwin C. Edgerton

Franz R. Verbeke  
Commissioners.