

Decision No. 6063

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

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In the matter of the application
of NARBONNE RANCH WATER COMPANY
No. 2 for order authorizing issue
of 10 additional shares of stock.)
Application No. 4099.)

J. W. Carrigan for applicant.

BY THE COMMISSION:

O P I N I O N

Above applicant asks authority to issue 10 shares of its capital stock to certain consumers of domestic and irrigation water served by it in and near Lomita, Los Angeles County.

A public hearing upon the application was held by Examiner Westover at Los Angeles.

Applicant is a corporation with a capital stock of \$3600 divided into 360 shares of the par value of \$10 each. It was incorporated by the subdividers of the townsite of Lomita and adjacent lands and all but 10 shares of applicant's stock subsequently distributed to purchasers of the subdivided lands in proportion to their holdings, as an incident to their land purchases and without separate consideration for the water stock. The water plant was afterward turned over to the water company for operation.

Subsequently additional land was subdivided, the purchasers thereof likewise paying for their water stock with their lands, but without separate consideration therefor.

Water has been furnished to stockholders of applicant at fixed rates and to non-stockholders at double the rates charged to stockholders. Revenue collected, together with certain assessments paid by stockholders, is designed to be and has been about sufficient to cover the cost of operation. Applicant and its consumers have mutually agreed that the discrimination should be eliminated by issuing stock to all consumers not now stockholders and by having all consumers pay the same consideration for water service in rates and assessments. The order will authorize the issue of a total of 10 shares of stock to the owners of the 65 lots, for which stock has not heretofore been issued, although indirectly paid for as stated.

Applicant also prays that it be authorized to hereafter operate as a mutual water company. The record herein does not justify ^{such} an order at this time or one authorizing applicant to cease to operate as a public utility, and that portion of the application will therefore be denied without prejudice.

O R D E R

NARBONNE RANCH WATER COMPANY NO. 2

having applied to the Railroad Commission for authority to issue 10 shares of its capital stock, a public hearing having been held and the matter being ready for determination,

IT IS HEREBY ORDERED that Narbonne Ranch Water Company No. 2 be and it is hereby authorized and empowered to issue 10 shares of its capital stock to the persons and in the respective fractions shown on a list thereof in evidence herein as applicant's Exhibit No. 1.

This order is made upon the following conditions, to-wit:

1. On or before the 25th day of each month until all of said stock has been issued, applicant shall make verified report in writing to the Railroad Commission of the certificates issued, as provided by General Order No. 24, which is hereby made part of this order, so far as it is applicable.

2. This order shall extend only to such certificates as shall be issued within ninety (90) days from the date hereof.

IT IS HEREBY FURTHER ORDERED that application for authority to operate as a mutual water company, or to cease to operate as a public utility, be and it is hereby denied without prejudice.

Dated at San Francisco, California, this 15th day of January, 1919.

Edwin C. Edgerly
H. D. Hayward
Frank R. Kohn
H. A. Brundage

Commissioners.