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ORIGINAL

Decision No. 8114

BEFORE THE RAILROAD COMMISSION
OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of EL SEGUNDO WATER COMPANY,)
a corporation, for an order au-) Application No. 5478
thorizing the issue of stock.)

Robert M. Clark, for Applicant.

BY THE COMMISSION:

O P I N I O N

EL SEGUNDO WATER COMPANY asks permission to issue \$15,000. par value of its capital stock. Applicant has an authorized stock issue of \$150,000., of which \$50,000. has been issued under the authority granted in Decision No. 5775 dated September 16, 1918, (Volume 16, "Opinions and Orders of the Railroad Commission of the State of California", Page 76.)

Applicant reports that it has no bonded indebtedness and has notes outstanding in the amount of \$2,000.

In Decision No. 8028, dated August 27, 1920, the Commission found the estimated original cost of applicant's properties to be \$61,094. and recommended that some provisions be made for the installation of higher storage tanks and other means for improving the service.

In its decision the Commission calls attention to the plant of applicant being over built and that it cannot reasonably expect a return on the estimated original cost.

Applicant reports that it is necessary for it to expend approximately \$12,500. to drill and equip an additional well, construct a pumphouse, lay new mains and extensions to meet the demand for water service. To pay for these improvements, applicant asks permission to issue \$15,000. of its common capital stock, which stock will be purchased by El Segundo Land and Improvement Company at par. The purchasing company owns all of applicant's outstanding stock except shares necessary to qualify directors.

O R D E R

EL SEGUNDO WATER COMPANY, having applied to the Railroad Commission for permission to issue \$15,000. of 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 this order and that the expenditures for such purpose or purposes are not in whole or in part reasonably chargeable to operating expenses or to income;

IT IS HEREBY ORDERED that EL SEGUNDO WATER COMPANY be, and it is hereby, authorized to issue and sell on or before December 31, 1920 at not less than par, \$15,000. of its common capital stock and use the proceeds to pay for drilling and equipping the well, constructing the pumphouse, laying mains and extensions referred to in this application and to pay for the construction of the improvements referred to by the Commission in Decision No. 8028 dated August 27, 1920, provided that El Segundo Water Company will keep such record of the issue and sale 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 in so far as applicable, is made a part of this order.

Dated at San Francisco, California, this 16th
day of September, 1920.

A. D. Loveland
Frank P. Davis
H. T. Boudize

Commissioners