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Decision No. 9604

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application)
of SOUTH LOS ANGELES LAND & WATER)
COMPANY for order authorizing is-)
sue of stocks and bonds.)

Application Number 7208

ORIGINAL

W. A. Robertson, for Applicant

BY THE COMMISSION:

O P I N I O N

SOUTH LOS ANGELES LAND AND WATER COMPANY asks permission to issue and sell \$10,000.00 of its six percent bonds.

A public hearing was held before Examiner Williams in Los Angeles on October 7, 1921.

The company, which was organized on or about July 23, 1914, is engaged in the business of distributing water in and about the City of Vernon, Los Angeles County. On December 31, 1920, it reported 2589 consumers. Applicant has an authorized stock issue of \$300,000.00, of which \$75,000.00 is outstanding. On its outstanding stock, applicant has paid since 1918 an annual dividend of 8 percent.

By Decision Number 2178, dated February 27, 1915 (Vol. 6, Opinions and Orders of the Railroad Commission of California, Page 226) applicant was authorized to execute a mortgage securing a total issue of \$75,000.00 of six percent bonds maturing in annual installments of \$5,000.00 on the first day of July of each of the years 1917 to 1931, both inclusive.

Heretofore applicant has issued \$60,000.00 of bonds, of which \$35,000.00 have been redeemed, leaving \$25,000.00 of bonds now outstanding. Of the \$10,000.00 of bonds it is now desired to issue, \$5,000.00 mature on July 1, 1929 and \$5,000.00 on July 1, 1930.

Applicant reports that since January 1, 1921, it has expended out of income the sum of \$14,601.00 for additions and betterments to its system. These expenditures are reported to consist of

550 feet 2 inch standard screw @ .2745 per ft.	\$151.00
3504 feet 6 inch Redwood pipe @ .546	1913.00
2704 feet 8 inch Redwood pipe @ .735	1987.00
1802 feet 10 inch Redwood Pipe @ .935	1685.00
500 feet 2 inch standard screw @ .21	105.00
80 feet 10 inch standard screw @ \$2.50	200.00
209 feet 6 inch riveted 14 gauge @ .57	119.00
2380 feet 6 inch riveted 14 gauge @ .82	1952.00
611 feet 8 inch riveted 14 gauge @ .99	605.00
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Total pipe 12,340 feet	\$ 8717.00
Cost of installing pipe @ 10¢ per ft.	1234.00
310 service connections with meters @ \$15.00	4650.00
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Total new installations	<u>\$14601.00</u>

It is because of these expenditures that applicant asks permission to issue and sell the \$10,000.00 of bonds. W. A. Robertson, applicant's secretary, testified that the money obtained from the sale of the bonds would be used to reimburse the treasury and thereafter expended for further additions and betterments.

Applicant reports that arrangements have been made to sell the \$10,000.00 of bonds, at ninety percent. of their face value and accrued interest.

O R D E R

SOUTH LOS ANGELES LAND AND WATER COMPANY, having applied to the Railroad Commission for permission to issue and sell \$10,000.00 of bonds, a public hearing having been held and it ap-

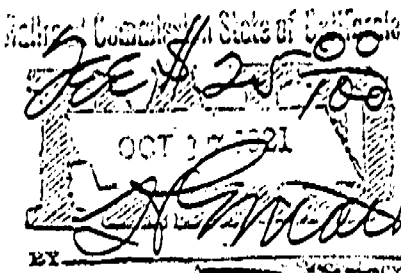
pearing to the Railroad Commission that the money, property or labor to be procured or paid for by such issue is reasonably required for the purpose or purposes specified herein and that the expenditures for such purpose or purposes are not in whole or in part reasonably chargeable to operating expense or to income.

IT IS HEREBY ORDERED, that South Los Angeles Land and Water Company be, and it is hereby, authorized to issue and sell on or before December 31, 1921, at not less than 90 percent. of their face value, plus accrued interest, \$10,000.00 of bonds, and to use the proceeds for the purpose of financing, in part, the cost of the additions and betterments described in this application.

The authority herein granted is subject to the following conditions:-

- (1) Applicant shall keep such record of the issue and sale of the bonds 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.
- (2) The authority herein granted will not become effective until applicant has paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which fee is \$25.00.

Dated at San Francisco, California, this 14th day of October, 1921.



Robert B. Rundick
H. D. Lonsdale
Charles J. Powell
J. J. Senn

Commissioners