

Decision No. 27359

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
HOME FARMS WATER COMPANY,)
formerly known as Watson Water Com-)
pany, a Corporation, for an order) Application No. 19045
authorizing the issuance of bonds)
and for a certificate of public con-)
venience and necessity.)

BY THE COMMISSION:

SECOND SUPPLEMENTAL OPINION AND ORDER

In the original application filed in this proceeding Home Farms Water Company asked for an order authorizing it, among other things, to execute a mortgage or deed of trust securing the payment of an authorized issue of \$300,000.00 of first mortgage five percent bonds, and to issue some of said bonds to pay outstanding indebtedness.

In passing on the company's request the Commission in Decision No. 26491, dated November 6, 1933 stated that if authorized by it, about \$180,000.00 of bonds might eventually be issued in exchange for existing indebtedness or for the purpose of securing the payment of indebtedness. Upon the showing made at that time it authorized the company in Paragraph "2" of the order in said decision to issue \$104,500.00 of bonds in payment of \$107,359.58 of indebtedness, and in Paragraph "3" of said order, to issue \$37,000.00 of bonds to provide collateral security for \$18,500.00 of indebtedness, a total bond issue of \$141,500.00. Of these amounts the company has reported that it has issued the \$104,500.00 of bonds authorized in

Paragraph "2" but found it necessary to deposit only \$36,000.00 as collateral. The authority to issue the remaining \$1,000.00 of bonds expired on December 31, 1933.

The company now reports that at the date of Decision No. 26491 there was an additional indebtedness due W. A. Guthridge, for which no provision was made in the \$141,500.00 bond issue authorized at that time. It further reports that W. A. Guthridge demanded payment and that Home Farms Corporation, the holder of all of applicant's outstanding stock, paid to him the sum of \$11,242.47.

Applicant accordingly now desires and asks permission to issue additional bonds in the amount of \$11,200.00 in consideration of the cancellation of the indebtedness, making a total of \$152,700.00 of bonds to be authorized in this proceeding.

The Commission has considered the company's request and believes that the issue of \$11,200.00 of additional bonds is reasonably required for the purpose specified herein and that the expenditure for said purpose is not in whole or in part reasonably chargeable to operating expense or to income, therefore,

IT IS HEREBY ORDERED that Paragraph "2" of the order in Decision No. 26491, dated November 6, 1933, be, and it is hereby, modified so as to permit Home Farms Water Company to issue on or before December 31, 1934, for the purpose of paying indebtedness, \$11,200.00 of five percent first mortgage bonds in addition to the \$104,500.00 authorized by said order, provided:-

1. That applicant shall keep such record of the issue of the bonds herein authorized as will enable it to file within thirty (30) days thereafter a verified report such as is required by the

Railroad Commission's General Order No. 24; and

2. That in addition to the \$142.00 fee heretofore
paid in this proceeding applicant shall pay
an additional fee of Eleven (\$11.00) Dollars.

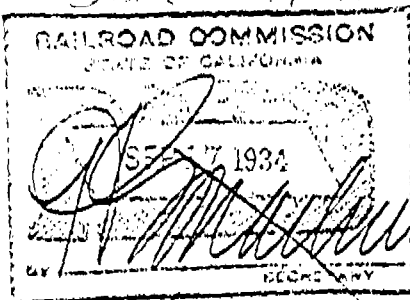
DATED at San Francisco, California, this 17th day of
September, 1934.

Leon Carls

M. J. Carr

M. B. Harris

Commissioners.



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