

Decision No. 29952

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
SAN GABRIEL VALLEY WATER SERVICE )  
to purchase, and Martin and Goold Water )  
Co. and J. M. Goold to sell, certain )  
water producing and distributing systems )  
situated in the County of Los Angeles, )  
State of California; and for authority ) Application No. 21034  
of said San Gabriel Valley Water Ser- )  
vice to issue, sell and deliver \$100,000 )  
principal amount of its First Mortgage )  
bonds, and to sell and deliver 7,000 )  
shares of its capital stock. )

BY THE COMMISSION:

ORIGINAL

SECOND SUPPLEMENTAL ORDER

San Gabriel Valley Water Service, a corporation, by Decision No. 29687, dated April 20, 1937, was authorized, among other things, to issue and sell at not less than 95% of their face value and accrued interest, \$15,000. of its first mortgage 5% bonds due March 1, 1957 for the purpose of paying in part the cost of additions, betterments and improvements listed in Exhibit "G" attached to the original application herein.

In general the proposed expenditures listed in said Exhibit "G" included the cost of interconnecting water plants which the company acquired from Martin and Goold Water Co., a corporation, and J. M. Goold under the authority granted by said Decision No. 29687, of constructing a storage reservoir and new steel tank and of laying new pipe lines.

The company now has advised the Commission that in taking over the properties formerly owned by Martin and Goold Water Co. and J. M. Goold, it found other improvements were needed more urgently than those listed in Exhibit "G", and that up to June 30, 1937 it had expended \$20,058.15 for additions and betterments as

follows:-

Wells . . . . .	\$611.89
Pump . . . . .	33.43
Distribution mains	17,330.41
Services . . . . .	1,053.23
Meters . . . . .	20.00
Miscellaneous distri- bution equipment	21.45
General equipment . .	987.74
Total.....	<u>\$20,058.15</u>

It appears that these expenditures have been financed up to this time with moneys advanced by R.H.Nicholson, applicant's president, and through open account indebtedness due the sellers of materials and equipment. The company now asks that it be permitted to use the proceeds from the sale of its \$15,000 of bonds to finance permanently in part the expenditures of \$20,058.15 instead of those heretofore set forth in Exhibit "G".

In Application No. 21250 filed on June 8, 1937, San Gabriel Valley Water Service applied for permission, among other things, to issue additional stocks and bonds to pay for certain properties owned by E. H. McHann and J.E.Leycook located near those it acquired from Martin and Goold Water Co. and H. M. Goold. The record in that proceeding sets forth in some detail the company's past and proposed construction program. The Commission's engineering department has examined applicant's reports and estimates of its costs of constructing its additions and betterments.

It appears that the company's request should be granted, therefore,

IT IS HEREBY ORDERED that the order in Decision No.29687, dated April 20, 1937, as amended, be, and it hereby is, modified so as to permit San Gabriel Valley Water Service to use the proceeds received from the sale of the \$15,000. of bonds authorized by said decision to finance in part the cost of the expenditures of \$20,058.15

referred to herein made prior to June 30, 1937.

IT IS HEREBY FURTHER ORDERED that the order in Decision No. 29687, dated April 20, 1937, as amended, shall remain in full force and effect, except as modified by this Second Supplemental Order.

DATED at San Francisco, California, this 14<sup>th</sup> day of July, 1937.

*Walter W. ...*

*Gregor R. ...*  
*Robert ...*

Commissioners.