

Decision No: 35403

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

**ORIGINAL**

In the Matter of the Application of SOBRANTE WATER COMPANY, a corporation, for authority to issue one hundred fifty (150) shares of its stock.

Application No. 24986

BY THE COMMISSION:

OPINION AND ORDER

Sobrante Water Company, a California corporation, is the owner and operator of a public utility water system supplying water for domestic and irrigation purposes to inhabitants of a certain unincorporated area known as El Sobrante, situate in the Tenth Township, County of Contra Costa, State of California.

Applicant has found it necessary to incur an indebtedness of about \$1,100 for extensions and improvements to its system. This indebtedness is evidenced principally by short term notes given by the company to certain of its consumers and stockholders.

It is for the purpose of paying this indebtedness and providing applicant with funds to construct additional extensions, if needed, that applicant is requesting permission to issue 150 shares (\$1,500 par value) of its capital stock. The stock will be issued at par in exchange for the indebtedness, or sold for par and the proceeds used to pay indebtedness and

to acquire additional properties.

The Commission has considered applicant's request and is of the opinion that this is not a matter on which a hearing is necessary; that the money, property or labor to be procured or paid for through the issue of said \$1,500 par value of capital stock is reasonably required by Sobrante Water Company for the purposes herein stated, and that the expenditures for said purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income, therefore,

IT IS HEREBY ORDERED that Sobrante Water Company may, after the effective date hereof and on or before December 31, 1942, issue and sell at not less than par, 150 shares (\$1,500 par value) of its capital stock for the purpose of paying the indebtedness mentioned in this application, and to construct extensions and improvements to its water system, provided that said proceeds may be expended only for the purpose of paying indebtedness incurred to acquire properties and to finance the acquisition of properties, the cost of which is chargeable to fixed capital accounts under the Uniform System of Accounts prescribed by the Commission.

IT IS HEREBY FURTHER ORDERED that Sobrante Water Company shall file with the Railroad Commission such reports as are required by the Commission's General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

IT IS HEREBY FURTHER ORDERED that the authority herein granted will become effective fifteen (15) days after the date hereof.

Dated at San Francisco, California, this 26<sup>th</sup> day  
of May, 1942.

Justus J. Cresser  
Ray & Pirey

Richard H. ...  
Commissioners