

Decision No. 38557

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 SAN GABRIEL VALLEY WATER COMPANY for au-)
 thority to Issue and Deliver 2880 Shares)
 of its Stock in Exchange for all of the)
 Corporate Assets and Assumption of all of)
 the Liabilities of San Gabriel Valley)
 Water Service; for Authorization of FON-) Application
 TANA DOMESTIC WATER COMPANY to Wind up) No. 26877
 its Affairs and Convey to said San Gabriel)
 Valley Water Company, as its Sole Stock-)
 holder, all of its Corporate Assets subject)
 to all of its Liabilities; and for Authori-)
 zation of SAN GABRIEL VALLEY WATER COMPANY)
 to Issue and Sell \$600,000.00 Principal)
 Value of its Bonds.)
 -----)

BY THE COMMISSION:

SECOND SUPPLEMENTAL ORDER

The Railroad Commission, by Decision No. 38235, dated September 25, 1945, as amended by Decision No. 38340, dated October 30, 1945, among other things authorized San Gabriel Valley Water Company to issue and sell, at not less than their face value plus accrued interest, \$600,000 of first mortgage 3-3/8% bonds, series A, due September 1, 1970, and to use approximately \$550,000 of the proceeds to pay indebtedness and other expenses as set forth in said decisions, and to use approximately \$50,000 of the proceeds to pay for additions and betterments when authorized by a supplemental order or orders.

The company reports that the unexpended balance of bond proceeds now on hand amounts to \$57,662.44 and it asks

permission to expend this sum to finance in part the cost of additions and betterments as follows:

1. Home Gardens Water Company, purchased on November 1, 1945, from Frank Gillelen under au- thority granted by Decision No. 38279, for the sum of	\$36,000
2. Installation of 8-inch pipe line connecting said system with plant of San Gabriel Valley Water Company	10,000
3. Under construction -	
Fontana office building	6,000
New pumping plant, El Monte	8,000
New pumping plant, Whittier	5,000
New pumping plant, Whittier	<u>5,000</u>
Total	\$70,000

The \$36,000 purchase price paid for the Home Gardens Water Company properties was advanced to applicant on open account by R. E. Nicholson. The pipe line connecting said properties with those of applicant is an 8-inch 12 gage welded steel line 6,300 feet in length installed at a cost of approximately \$10,000.

The Fontana office building is a 26' by 45' frame and stucco structure. It is reported that the contract price is \$5,600 but with extras, landscaping and fencing the cost will slightly exceed \$6,000. The \$8,000 assigned to the new pumping plant at El Monte is the estimated cost of drilling a new 16-inch well, purchasing a Pomona pump which will have a capacity of 2,200 gallons a minute, at a total head of 180 feet, installing a Johnson geared head and a 105 h.p. Climax natural gas engine, together with a sound-proof pump house. For the two new pumping plants at Whittier the estimated expenditure in

each case includes the cost of installing a new Byron-Jackson pump to deliver 1,200 gallons a minute at a 150 foot head, together with a 52 h.p. Climax natural gas engine and Johnson geared head and the erection of a sound-proof pump house.

The Commission has considered this matter and is of the opinion that a further hearing is not necessary, that the request of applicant should be granted, as herein provided, and that the expenditures herein authorized are reasonably required by applicant for the purposes herein stated and that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income, therefore,

IT IS HEREBY ORDERED as follows:

1. San Gabriel Valley Water Company may use \$57,662.44 of the proceeds received through the issue and sale of the bonds authorized by Decision No. 38235, dated September 25, 1945, as amended, to finance in part the expenditures of \$70,000 referred to herein, provided that only such expenditures as are properly chargeable to fixed capital accounts as defined in the uniform classification of accounts prescribed by this Commission for water corporations, may be so financed.

2. San Gabriel Valley Water Company shall file with the Commission monthly reports of the disposition of said \$57,662.44 as required by the Commission's General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

3. The order in Decision No. 38235, dated September 25, 1945, as amended, shall remain in full force and effect

except as modified by this Second Supplemental Order.

4. The authority herein granted will become effective upon the date hereof.

Dated at San Francisco, California, this 21st day of December, 1945.

Charles Anderson
Justus J. Casper
Francis C. ...
Ernest ...
Harold ...
Commissioners