

Decision No. 44440

UNRECORDED

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
PENINSULA SERVICE CORPORATION for an)	Application
order authorizing issue of common)	No. 31499
stock.)	
-----)	

O P I N I O N

This is an application for an order authorizing Peninsula Service Corporation to issue and sell 900 shares of its common stock, at the price of \$10 a share, for the purpose of paying indebtedness and of financing the cost of additions to its facilities.

Applicant is a California corporation organized on or about November 2, 1947, with an authorized capital stock of 5,000 shares without par value. By Decision No. 43473, dated November 1, 1949, the Commission granted to applicant a certificate of public convenience and necessity to construct and operate a public utility system for the distribution and sale of water in a portion of Santa Clara County near the City of Mountain View. Applicant reports that it has expended \$8,058.64 in the construction of its water system which, it appears, has been paid or provided through the issue of stock and notes. Its balance sheet as of May 31, 1950, is reported as follows:

<u>Assets</u>		
Cash		\$ 1,729.34
Accounts receivable		9.39
Fixed assets -		
Land	\$1,000.00	
Well	1,750.00	
Pump house	250.00	
Mains and equipment	<u>5,058.64</u>	
	8,058.64	
Less: depreciation reserve	<u>124.27</u>	7,934.37
Organization expense		<u>504.75</u>
		<u>\$10,177.85</u>
	Total	

Liabilities

Accounts payable	\$	88.29
Note to First National Bank		3,924.84
Due to stockholders		1,126.88
Capital stock (544 shares)		5,440.00
Loss - Jan. 1 to May 31, 1950		<u>(402.16)</u>
Total		<u>\$10,177.85</u>

In making the present application to issue additional shares of stock, applicant reports that it proposes to sell them at \$10 a share and to use the proceeds for the following purposes:

<u>Payment of indebtedness</u>		
To stockholders	\$1,126.88	
To First National Bank	<u>2,924.84</u>	
Total		\$4,051.72
<u>Expansion of water service facilities</u>		
20,000 gal. storage tank and booster pump	1,500.00	
550 ft. of 2" laterals	650.00	
350' on Leghorn		
200' on Colony		
30 meters, parts and labor for hook-ups	1,500.00	
Fence--around lot on which well and storage tank located	400.00	
3 fire hydrants	750.00	
Special tools	<u>150.00</u>	
Total		<u>4,950.00</u>
Grand total		<u>\$9,001.72</u>

The application shows that the balance of \$1,000 necessary to fully liquidate the note in favor of First National Bank will be paid with cash now on hand.

O R D E R

The Commission having considered the above entitled matter and being of the opinion that a public hearing thereon is not necessary, that the application should be granted, as herein provided, that the money, property or labor to be procured or paid for through the issue of the stock herein authorized is reasonably

required by Peninsula Service Corporation for the purposes specified herein, 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. Peninsula Service Corporation, after the effective date hereof and on or before October 31, 1950, may issue and sell, at not less than \$10 a share, not exceeding 900 shares of its common capital stock for the purposes indicated in this application.
2. Applicant shall file with the Commission a report, or reports, as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.
3. The authority herein granted will become effective twenty (20) days after the date hereof.

Dated at San Francisco, California, this 27th day of June, 1950.

R. Z. D. [Signature]

[Signature]

[Signature]

Commissioners