

Decision No. 46317

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
Washington Water and Light Company)	Application
for permission to issue more stock.)	No. 32808.
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OPINION AND ORDER

Washington Water and Light Company, applicant herein, is a California corporation engaged in distributing water in and about the towns of Broderick, Bryte and West Sacramento. In this application it asks authorization to issue \$18,500 par value of 5% cumulative preferred stock in lieu of stock heretofore issued without an order from the Commission and, in addition, to issue and sell, at par for cash, \$20,500 par value of said preferred stock and \$17,000 par value of its common stock, for the purpose of paying indebtedness and of financing the cost of additions and betterments.

Heretofore, applicant has come before the Commission for authority to issue notes and shares of preferred and common stock in order to obtain funds to expand its service and facilities. By Decision No. 43435, dated October 25, 1949, it was authorized, among other things, to issue and sell \$61,000 par value of its preferred stock for these purposes. However, it now reports that as it proceeded with its construction program it actually issued stock in the amount of \$18,500 in excess of that authorized by the Commission, and that it used the proceeds to pay for property, including two 5,000-gallon pressure tanks and a part of the cost of a new well and other items of plant.

It appears, however, that applicant's over-issue of its authorization was through inadvertence and with no intent on its

part to evade the provisions of the Public Utilities Act. When the matter was called to its attention, it filed this application for authority to reissue the shares heretofore issued without an order from the Commission then in effect.

As to the issue of the additional shares of stock, applicant reports that in order to meet the demands of consumers it is necessary for it to install larger and more numerous sources of supply and to provide for chlorination. More specifically, it reports that the proceeds realized through the sale of the \$18,500 of preferred stock previously issued, plus the stock now proposed to be issued, have been and will be used for the following purposes:

1. To pay outstanding indebtedness	\$16,000
2. To pay for additions to plant:	
Two 5,000-gallon pressure tanks	2,000
One new well	8,000
Two chlorinators	5,000
Storage tank	<u>25,000</u>
Total	<u>\$56,000</u>

The Commission has considered this matter and is 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 applicant 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. Washington Water and Light Company, after the effective date hereof and on or before December 31, 1951, may issue \$18,500 par value of its 5% cumulative preferred stock in lieu of stock of like amount heretofore issued without authorization from the Commission,

provided that the shares of stock now outstanding representing said \$18,500 be returned to applicant and canceled.

2. Washington Water and Light Company, after the effective date hereof and on or before June 30, 1952, may issue and sell, at par for cash, \$20,500 par value of its 5% cumulative preferred stock and \$17,000 par value of its common stock, for the purposes set forth in this application.

3. Washington Water and Light Company shall file with the Commission monthly reports as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

4. The authority herein granted will become effective twenty (20) days after the date hereof.

Dated at San Francisco California, this 23rd day of October, 1951.

R. E. [Signature]
 President

Justin F. [Signature]
Harold [Signature]
[Signature]

 Commissioners