

ORIGINAL

Decision No. 48367

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
the Hacienda Water Company, a	:	Application
California corporation, for a)	No. 32338
certificate that public convenience	:	(Third Supplemental
and necessity requires installation)	and
of a water system and for authorization	:	Fourth Supplemental)
to issue stock for public sale.)	
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FIRST SUPPLEMENTAL OPINION

Hacienda Water Company has filed its supplemental applications in the above entitled matter for an order extending the time to sell shares of stock heretofore authorized by the Commission and authorizing it to issue and sell an additional block of \$90,000 par value of its common stock for the purpose of paying indebtedness, of financing the cost of property, and of providing working capital.

Applicant was organized on or about February 23, 1951, its articles of incorporation, as amended, providing for an authorized capital stock of 10,000 shares of the par value of \$25 each and of the aggregate par value of \$250,000. Heretofore, it has received from the Commission a certificate of public convenience and necessity to operate a public utility water system in Napa County, and has obtained authorization to issue and sell \$160,000 par value of its stock to finance the cost of properties.

It appears that applicant has proceeded with the construction of its water system, that it had 320 active service connections attached to its lines at the close of 1952, and that up to that time its expenditures for construction aggregated \$195,443.16. Its General Order No. 24-A reports filed in response to the authorization heretofore granted indicate that up to the close of 1952 it had

issued shares of stock in the aggregate amount of \$78,100 and in addition that it had received subscriptions for shares not yet issued.

Applicant now reports that its capital costs have been larger than originally estimated because of new housing tracts having been opened in its area, that it has been compelled to borrow moneys to meet such increased costs, and that in addition it now is required to make further extensions of its lines to serve new tracts now in process of development. It therefore proposes and now seeks authorization to issue additional stock for the following purposes:

1. To retire current liabilities -	
Note payable to Bank of America	\$30,000
Accounts payable	<u>16,000</u>
	46,000
2. To serve 290 connections in new tracts	14,400
3. To provide funds for extensions for additional housing developments and for working capital	<u>29,600</u>
Total	<u>\$90,000</u>

Upon review of the application it appears to us that applicant will have need for additional funds to complete the financing of the construction work originally authorized and that now presented to the Commission. In our opinion the money, property or labor to be procured or paid for by the issue of the additional shares of 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. Accordingly, we will enter an order granting applicant's requests.

THIRD SUPPLEMENTAL ORDER

The Commission having considered the above entitled matter, and being of the opinion that a further hearing is not necessary and that applicant's requests should be granted, as herein provided; therefore,

IT IS HEREBY ORDERED as follows:

1. The time within which Hacienda Water Company may issue and sell the shares of stock authorized by Decision No. 46821, dated March 11, 1952, and by Decision No. 47808, dated October 14, 1952; hereby is extended to and including December 31, 1954.

2. Hacienda Water Company, on and after the effective date hereof and on or before December 31, 1954, may issue and sell, at par for cash, its common capital stock of the aggregate par value of \$90,000, in addition to that heretofore authorized, for the purposes set forth in the preceding first supplemental opinion.

3. Applicant 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 upon the date hereof.

Dated at San Francisco, California, this 24th day of March, 1953.

R. F. Anderson
President

Justin J. Caswell
Harold A. Kula

Francis D. Patten
John E. Mitchell
Commissioners