

**ORIGINAL**Decision No. 50409

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of Pacific Water Co., a California corporation, to issue Class C preferred shares, under the provisions of Section 818 of the Public Utilities Code, to Southeastern Builders, a copartnership, Ferrol Construction Co., a corporation, and to E. R. Waas and Lorraine E. Waas.

Application No. 35005

In the matter of the application of Pacific Water Co., a California corporation, for certificates of public convenience and necessity under Section 1101 of the Public Utilities Code for Apple Valley Vista and the Boorey Tracts.

Application No. 35179

O P I N I O N

A public hearing in the above-entitled proceedings, filed December 30, 1953 and February 24, 1954, respectively, was held before Examiner Stewart C. Warner on June 18, 1954 at Los Angeles, and the matters were submitted for decision. On June 28, 1954 applicant filed a petition to set aside submission and to reopen the proceedings for the taking of additional evidence regarding the request for issuance of stock to install certain water system facilities in Tract No. 1904, adjoining the Laelco Tract in Orange County, as set forth in Paragraph VI(2) of Application No. 35005. Said petition was granted by Decision No. 50279, dated July 13, 1954.

Information furnished to the Commission by applicant indicates that Ferrol Construction Co. advanced \$5,400 to

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Builders and Property Developers Company to install 1,200 feet of 6-inch Transit pipe, 540 feet of 4-inch Transite pipe, 402 feet of galvanized steel 1-inch pipe, and 2 fire hydrants in Tract No. 1904, Orange County. Applicant now wishes to reimburse Ferrol Construction Co. for the money so advanced by issuing to the construction company 540 shares of preferred Class C stock.

It appears that the issuance of the stock as requested would not be adverse to the public interest and that a public hearing is not necessary.

O R D E R

Application having been made, the Commission being fully advised in the premises, and good cause appearing,

IT IS HEREBY ORDERED as follows:

(1) That Pacific Water Co., a corporation, be and it is authorized to issue to Ferrol Construction Co. 540 shares of its preferred Class C stock in the face amount of \$5,400, said issue to be for the purposes indicated herein, the Commission being of the opinion that the money, property, or labor to be procured or paid for by the issuance of said stock is 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.

(2) That Pacific Water Co. shall file with the Commission a report, or reports, as required by the Commission's General Order No. 24-A, which order insofar as applicable is made a part of this order.

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(3) That the authority herein granted shall expire if not exercised on or before December 31, 1954.

The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 17<sup>th</sup> day of August, 1954.

John E. Mitchell  
President  
Justice J. Calver  
Wm. H. Patton  
Gene Higgins

Commissioners