

ORIGINAL

Decision No. 51223

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 stock.)	No. 31499
-----	:	(Fifth Supplemental)

FIFTH SUPPLEMENTAL ORDER

By Decision No. 44440, dated June 27, 1950, as amended, the Commission authorized Peninsula Service Corporation to issue and sell 900 shares of stock, at \$10 a share, on or before December 31, 1954, for the purpose of paying indebtedness and of financing the cost of a water system near Mountain View, in Santa Clara County.

Applicant reports that it has not issued 436 of the shares. It intends to proceed with the issue, however, and it asks the Commission to make an order extending the time within which it might do so.

Information on file with the Commission shows that up to December 31, 1954, applicant had invested \$22,531.35 in its utility plant, that it had undertaken service to approximately 70 customers, and that it had financed itself primarily with proceeds from the issue of shares of stock and with borrowed money. The present supplemental application shows that applicant is faced with additional expenditures and that it desires to convert a portion of its outstanding indebtedness into equity capital. In an exhibit filed in the proceeding it sets forth its capital requirements as follows:

Convert customers' advances for construction to stock ownership	\$1,000
Pay off indebtedness to officers and directors	1,600
For meters and service hook-ups	500
Extension of 600' of 4" line on Colony Street	<u>1,260</u>
Total	<u>\$4,360</u>

From a review of the matter it appears to us that applicant's request should be granted, therefore,

IT IS HEREBY ORDERED as follows:

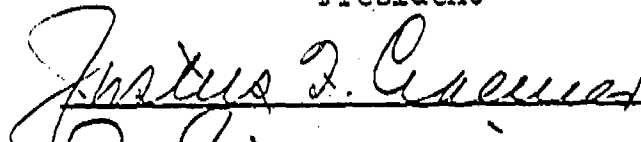
1. Peninsula Service Corporation may issue and sell, on or before December 31, 1955, at not less than par, the unissued shares of stock heretofore authorized by Decision No. 44440, dated June 27, 1950, as amended and supplemented from time to time, for the purpose of paying indebtedness and of financing the cost of additions and improvements to its properties and equipment, it being the opinion of the Commission that the money, property or labor to be procured or paid for by the issue of the 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.

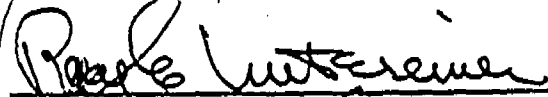
2. This fifth supplemental order will become effective on the date hereof.

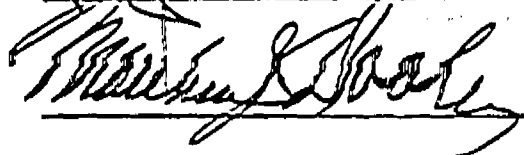
Dated at Los Angeles, California, this 21st day of March, 1955.



President







Commissioners