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Decision No. 12200.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

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In the Matter of the Application of ONTARIO POWER COMPANY for an order authorizing the issue of seven per cent. preferred stock.

Application No. 9093

Glenn D. Smith, for Applicant.

BY THE COMMISSION:

OPINION.

ONTARIO POWER COMPANY asks permission to issue and sell at par $64,000.00 of its seven per cent. preferred stock and use the proceeds to finance the cost of additions and betterments to its plants and properties.

As of April 1, 1923, applicant reports $380,000.00 of common and $340,000.00 of seven per cent. preferred stock outstanding. Since then, applicant has issued $120,000.00 of common stock, making a total of $500,000.00 of common stock issued and outstanding.

As of April 1, 1923, applicant's balance sheet shows the following funded debt outstanding:

Bonds	$262,000.00
Serial Notes	66,000.00
Trust Notes	56,000.00
Total	$384,000.00

The testimony of Glenn D. Smith, applicant's general manager, shows that the company from October 1, 1922 to April 30, 1923, expended the sum of $64,793.60 for extensions, additions and betterments. This amount was expended for the following purposes:

Transformers	$ 13,521.08
Meters	3,370.62
Office Equipment	1,166.20
Motor Vehicles	3,833.21
Pole line construction	42,902.49
Total,	$ 64,793.60

It is of record that the company has had to expend the $64,793.60 to meet the demands for service. Of this sum, $24,000.00 was obtained through the issue of short term notes. The holders of such notes will accept at par the company's seven per cent. preferred stock in payment of the notes. The remainder of the expenditures were financed temporarily through the investment of moneys represented by reserves and corporate surplus.

O R D E R.

ONTARIO POWER COMPANY having applied to the Railroad Commission for permission to issue $64,000.00 of its seven per cent. preferred stock, a public hearing having been held before Examiner Fankhauser, and the Commission being of the opinion that the money, property or labor to be procured or paid for by such issue of stock is reasonably required by applicant and that the expenditures herein authorized are not in whole or in part reasonably chargeable to operating expenses or to income and that this application should be granted; therefore -

IT IS HEREBY ORDERED, that ONTARIO POWER COMPANY be, and it is hereby, authorized to issue and sell for not less than par, $64,000.00 par value of its seven per cent. preferred stock and use the proceeds to finance such part of the cost of the extensions, additions and betterments to its plants and properties, described in "Exhibit A" filed in this proceeding, as is properly chargeable to capital account under the Commission's uniform system of accounts.

The authority herein granted is subject to further conditions as follows:

1.--Applicant shall keep such record of the issue, sale and delivery of the stock herein authorized and of the disposition of the proceeds as will enable it to file, on or before the 25th day of each month a verified report as required by the Commission's General Order No. 24, which order in so far as applicable is made a part of this order.

2.--The authority herein granted will become effective upon the date hereof and will expire on October 1, 1923.

DATED at San Francisco, California, this 12th day of June, 1923.

Commissioners.