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Decision No. 12740.

BEFORE THE RAILROAD COMMISSION OF THE
STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application of)
RIVERBEND GAS AND WATER COMPANY)
for authority to issue and sell)
\$18,000.00 face amount of bonds.)

Application No. 9070

Chaffee E. Hall, for Applicant.

BY THE COMMISSION:

O P I N I O N.

In this application, RIVERBEND GAS AND WATER COMPANY asks permission to issue and sell, at not less than 96-1/2 per cent. of face value and accrued interest, \$18,000.00 face value of its Series "A" seven per cent. first mortgage bonds for the purpose of reimbursing its treasury because of earnings expended for additions and betterments from November 1, 1921 to December 31, 1922.

A public hearing was held on this application by Examiner Fankhauser at San Francisco.

Riverbend Gas and Water Company is engaged in the business of producing, distributing and selling water in and about the town of Parlier and of generating and producing gas in the city of Dinuba, and of distributing and selling gas in, and in the vicinity of said city of Dinuba, and in, and in the vicinity of, the towns of Reedley, Kingsburg and Parlier. The company reports its gross revenues from all sources as \$119,142.85 in 1921 and \$128,005.07 in 1922, and its net revenue, the amount remaining after paying operating expenses, including taxes and depreciation, as \$18,097.88 in 1921 and \$35,011.59 in 1922. After paying all interest charges and providing for amortization of debt discount and expense and uncollectible bills, it reports net profits for the year 1921 as \$11,358.45 and for the year

1922 as \$20,919.10 Applicant as of December 31, 1922, reports \$173,417.00 of stock and \$180,000.00 of bonds outstanding.

In the present petition applicant alleges that subsequent to October 31, 1921, and prior to January 1, 1923, it expended out of moneys derived otherwise than from the sale of stock, bonds, notes or other evidences of indebtedness, the sum of \$83,674.52 for extensions, additions and improvements to its plants and properties, as shown in "Exhibit A", as follows:

FIXED CAPITAL -GAS

Gas Plant Buildings and General Structures	\$3,007.80	
Holders	21,674.03	
Furnaces, Boilers and Accessories	3,038.63	
Gas Generators	154.85	
Purification Apparatus	5,417.16	
Miscellaneous Gas Plant Equipment,	682.00	
Transmission Mains	5,253.11	
Boosting Apparatus and Regulator	1,357.42	
Distribution Mains	8,970.06	
Gas Services	4,186.73	
Gas Meters	5,097.02	
Miscellaneous Distribution Equipment	920.69	
General Office Equipment	531.97	
General Shop Equipment	186.94	
General Stable and Garage Equipment	3,633.89	
Miscellaneous Equipment	179.83	
Roads, Trestles and Bridges	702.30	
Engineering and Superintendence	2,000.00	
Fixed Capital in other departments	2,500.00	\$69,494.43

FIXED CAPITAL -WATER

Buildings, Structures, etc.,	9,428.52	
Water Mains	1,982.24	
Services	273.67	
Hydrants, Fire Cisterns, Fountains, etc.,	67.50	
Meters	283.36	12,035.29

FIXED CAPITAL INSTALLED -Nov.1,1921 to December 31,1921 2,144.80

T O T A L, \$83,674.52

To finance in part the cost of these expenditures, applicant now asks permission to issue and sell \$18,000.00 of bonds. It appears that these bonds will be designated "Series A", will bear interest at seven per cent. per annum, will be dated January 1, 1922, will mature January 1, 1942, and at the option of the company are redeemable upon any interest date at 105 and accrued interest, if redeemed prior to

January 1, 1927; at 104 and accrued interest if redeemed subsequent to January 1, 1927 and prior to January 1, 1932; at 103 and accrued interest if redeemed subsequent to January 1, 1932 and prior to January 1, 1937, and at 102 and accrued interest if redeemed after January 1, 1937 and prior to maturity. Testimony shows that arrangements have been made to sell these bonds at 96-1/2 per cent. of face value plus accrued interest.

O R D E R.

RIVERBEND GAS AND WATER COMPANY having applied to the Railroad Commission for permission to issue and sell \$18,000.00 face value of its "Series A" seven per cent. first mortgage bonds, a public hearing having been held and the Commission being of the opinion that the money, property or labor to be procured or paid for by such issue of bonds 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;

IT IS HEREBY ORDERED, that RIVERBEND GAS AND WATER COMPANY be, and it is hereby, authorized to issue and sell at not less than 96-1/2 per cent. of their face value plus accrued interest, \$18,000.00 of its "Series A" first mortgage seven per cent bonds for the purpose of financing in part the cost of the extensions, additions and betterments to which reference is made in the foregoing opinion.

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 bonds 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 Railroad 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 to issue bonds will become effective when applicant has paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which fee is \$25.00, and will expire on November 30, 1923.

DATED at San Francisco, California, this 14th day of June, 1923.

C. Seavey

Dwight Martin

J. F. Whitney
Commissioners

