

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of ONTARIO POWER COMPANY for order)
authorizing the issue of seven per) Application Number 9553
cent preferred stock.)

Glen D. Smith, for Applicant

BY THE COMMISSION :

OPINION

Ontario Power Company asks permission to issue and sell at par \$71,000.00 of 7 per cent cumulative preferred stock and use the proceeds to pay \$39,000.00 of indebtedness and reimburse its treasury because of earnings expended for additions and betterments.

The testimony of Glen D. Smith, Applicant's General Manager, shows that the \$39,000.00 of indebtedness represented by short term notes was incurred for the purpose of paying for additions and betterments. Applicant intends to pay these notes through the issue of stock. Money was advanced to the company by various individuals with the understanding that the company, when authorized by the Commission, would issue to them at par 7 per cent preferred stock in payment of the notes.

Applicant reports a net expenditure of \$72,044.54 for additions and betterments. This money was expended for the following purposes :-

Transformers	\$9,445.46
Meters	4,839.47
Pole Line Construction	52,590.68
Miscellaneous	5,168.93
Total	\$ 72,044.54

In general, the expenditures have been incurred from May 1st. to October 31, 1923 and were made necessary by the increased demand for

electrical energy.

Applicant's funded debt amounts to \$375,500.00 divided into \$262,000.00 of first mortgage 5 per cent bonds, \$60,500.00 of 7 per cent serial notes and \$53,000.00 of 7 per cent trust notes. The funded debt is followed by \$404,000.00 of 7 per cent preferred stock and \$500,000.00 of common stock. Applicant's General Manager testified that during 1923 the company will pay an 8 per cent dividend on its common stock and a 7 per cent dividend on its preferred stock.

ORDER

ONTARIO POWER COMPANY having applied to the Railroad Commission for permission to issue \$71,000.00 preferred stock, a public hearing having been held before Examiner Fankhauser and the Railroad Commission being of the opinion that the money, property or labor to be procured or paid for by such issue 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 as herein provided, therefore,

IT IS HEREBY ORDERED that ONTARIO POWER COMPANY be, and it is hereby, authorized to issue and sell at not less than par \$71,000.00 of its 7 per cent cumulative preferred stock and use the proceeds to pay indebtedness incurred on account of construction of additions and betterments and to reimburse its treasury because of earnings expended for the construction of additions and betterments to its plants and properties.

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

1. Ontario Power Company 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 Railroad Commission's General Order Number 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 April 1, 1924.

DATED at San Francisco, California, this 22^d day of December 1923.

C. Deane
James A. H. H. H.
Egerton Shore

Commissioners.