

EM

Decision No. 13032

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of)
FRESNO CITY WATER CORPORATION)
for an order authorizing it to issue)
and to sell certain of its first and) Application Number 9649
refunding mortgage Series "C" six)
percent. bonds.)

A. E. Peat, for Applicant.

Brundige, Commissioner:

O P I N I O N

FRESNO CITY WATER CORPORATION asks permission to issue and sell \$400,000.00 of its first and refunding mortgage Series "C" six percent. bonds for the purpose of reimbursing its treasury and of financing the cost of extensions, additions and betterments.

The testimony and exhibits filed in this application show that the company up to November 30, 1923 had expended for capital purposes for which it had not been reimbursed, the sum of \$340,442.37, that it will need \$74,320.16 to complete construction work in progress and that it will be required to expend approximately \$184,465. during 1924 for construction purposes.

The estimated expenditures of \$184,465.00 are set forth in Exhibit No. 1 filed in this proceeding and consist of the following

items:-

Pumping plants	\$19,015.00
Mains	68,644.00
New business, pipes, services, meters,	89,978.00
General	6,828.00

Total \$184,465.00

For the purpose of reimbursing its treasury on account of earnings expended for additions and betterments prior to November 30, and for the purpose of financing expenditures to be made during 1924, applicant has filed this application asking permission to issue an additional \$400,000.00 of bonds. It appears that at present applicant has outstanding \$749,000.00 of bonds consisting of \$199,000.00 of first mortgage five percent. bonds due 1946 and \$550,000.00 of first and refunding mortgage bonds. The first and refunding mortgage bonds include \$400,000.00 of Series "A" six and one half percent. bonds due 1956 and \$150,000.00 of Series "B" five and one half percent. bonds due 1952. The Series "C" bonds now proposed to be issued will bear interest at six percent. per annum and will mature in 1959. The company reports that it has made arrangements to sell its bonds at 97-1/4 percent. of their face value plus accrued interest.

I herewith submit the following form of order:-

O R D E R

FRESNO CITY WATER CORPORATION having applied to the Railroad Commission for permission to issue and sell \$400,000.00 of bonds, a public hearing having been held and the Railroad Commission being of the opinion that the money, property or labor to be procured or paid for through the issue and sale of such bonds, is reasonably required for the purpose or purposes specified herein and that the expenditures for such purpose or purposes are not in whole or in part reasonably chargeable to operating expenses or to income,

95

IT IS HEREBY ORDERED that Fresno City Water Corporation be, and it is hereby, authorized to issue and sell at not less than 97-1/4 percent. of their face value plus accrued interest \$400,000.00 of its first and refunding mortgage Series "C" six percent. bonds and to use the proceeds for the purpose of reimbursing its treasury and of financing in part the cost of the extensions, additions and betterments described in this application and referred to in the foregoing opinion.

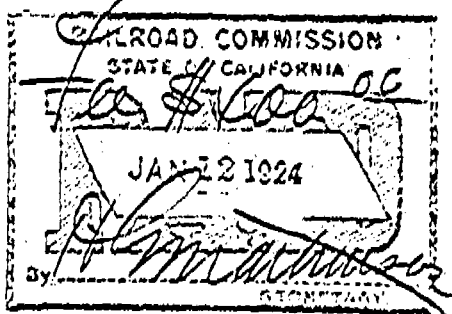
The authority herein granted is subject to further conditions as follows:-

1. Only such expenditures referred to herein as are properly chargeable to capital account, as defined by the classification of accounts prescribed by the Railroad Commission shall be financed with proceeds obtained from the sale of the bonds herein authorized.
2. Applicant shall keep such record of the issue and sale 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.
3. The authority herein granted to issue bonds will become effective when applicant has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is \$400.00 and will expire on June 30, 1924.

The foregoing Opinion and Order are hereby approved and ordered filed as the Opinion and Order of the Railroad Commission of the State

of California.

DATED at San Francisco, California, this 11th day of
January, 1924.



[Signature]
[Signature]
[Signature]
[Signature]

Commissioners.