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Decision No. 13427.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
NEEDLES GAS AND ELECTRIC COMPANY )  
for authority to issue additional ) Application Number 9892  
first mortgage bonds in the amount )  
of \$25,000.00 and to sell the same. )

Leroy M. Edwards, for Applicant.

BY THE COMMISSION:

O P I N I O N

In this application, as amended at the hearing, the Railroad Commission is asked to make an order authorizing the Needles Gas and Electric Company to issue and sell at not less than ninety-five percent. of their face value and accrued interest, \$25,000.00 of seven percent. bonds due December 1, 1944, or deposit such bonds as collateral to secure the payment of notes. The proceeds realized from the sale or deposit of the bonds will be used for the purpose of paying in part the cost of the improvements, additions and betterments described in Exhibit "B" or pay indebtedness.

Applicant operates gas, electric and telephone properties at Needles, California. During 1923 it reports 818 electric and 504 gas consumers, and 386 telephone subscribers. Its total operating revenues for the same year are reported at \$81,413.02, its operating expenses, including \$6,456.00 for depreciation, at \$62,629.41, leaving net operating revenues of \$18,783.61.

Applicant has outstanding \$100,000.00 of stock and \$90,000.00 of seven percent. bonds. Its current indebtedness con-

sists of \$15,846.45 of notes payable and \$17,271.39 of audited vouchers and wages unpaid.

In its Exhibit "B" applicant reports an expenditure of \$33,964.25 for capital additions to its properties from December 1, 1921 to December 31, 1923, divided as follows:-

Electric properties . . . . .	\$25,145.93
Gas properties . . . . .	6,833.54
Telephone properties . . . . .	1,984.78

The purpose for which the \$33,964.25 has been expended is set forth in detail in Exhibit "B". Of the amount, \$17,524.01 was expended during 1923 for the purpose of installing a 200 H.P. electric generating plant. The installation of this additional unit was made necessary by the increase in applicant's business.

It is of record that applicant has arranged for the sale of \$12,000.00 of the bonds it asks permission to issue. To construct the additions to its properties to which reference has been made, applicant has incurred indebtedness represented by notes and accounts payable. In the event that it cannot sell all of its bonds forthwith, it may be necessary for applicant to deposit some as collateral and use the money thus obtained to pay indebtedness now outstanding.

#### O R D E R

Needles Gas and Electric Company, having applied to the Railroad Commission for permission to issue and sell \$25,000.00 of bonds, 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 through the issue and sale of such bonds is reasonably required for the purposes herein specified and that the expenditures for such purposes are not in whole or in part reasonably chargeable to operating expenses or to income;

IT IS HEREBY ORDERED that the Needles Gas and Electric Company be, and it is hereby, authorized to issue and sell on or before December 1, 1924 at ninety-five per cent of their face value and accrued interest \$25,000.00 of seven per cent first mortgage bonds due December 1, 1944 and use the proceeds, other than the accrued interest, to pay in part such cost of the additions and betterments to its properties described in Exhibit "B" as is properly chargeable to fixed capital account under the uniform System of Accounts prescribed by the Commission, or pay indebtedness incurred to pay for such additions and betterments or pay notes secured by the deposit of bonds herein authorized. The accrued interest may be used for general corporate purposes.

IT IS HEREBY FURTHER ORDERED that pending the sale of \$13,000.00 of the bonds herein authorized to be issued, applicant may deposit such bonds as collateral, to secure the payment of notes issued for a term of one year or less, provided that not more than \$125 face value of bonds shall be deposited for every \$100 face value of notes issued and that the proceeds obtained from the issue of the notes will be used to pay in part such cost of the additions and betterments to its properties described in Exhibit "B" as is properly chargeable to fixed capital account under the uniform system of accounts prescribed by the Commission, or pay indebtedness incurred to pay for such additions and betterments.

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

1. Needles Gas and Electric Company 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.

2. The authority herein granted will become effective when applicant has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is \$25.00.

DATED at San Francisco, California, this 17<sup>th</sup> day of April, 1924.

C. C. Seaver

H. P. Burdige

J. W. Martin

Egerton Shore

J. Whitney

Commissioners.

Fee \$ 25.00  
APR 22 1924  
H. M. Anderson