

DM

Decision No. 13533.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of the)
 EAST BAY WATER COMPANY,)
 a corporation, for an order authorizing) Application Number 9984
 the issue of Class A six percent. cumu-)
 lative preferred stock.)

McKee, Tasheira and Wahrhaftig,
by Arthur Tasheira, for Applicant.

ORIGINAL

BY THE COMMISSION:

O P I N I O N

East Bay Water Company asks permission to issue and sell \$208,300.00 par value of its Class "A" stock to refund sinking fund payments and to pay for extensions, additions and betterments to its properties.

Applicant reports that it has paid during January, 1924, to the trustees under its deeds of trust for sinking fund purposes the sum of \$149,737.00 as follows:-

Wells Fargo Bank and Union Trust Company	\$145,678.00
Mercantile Trust Company of California.....	<u>4,059.00</u>
TOTAL.....	<u>\$149,737.00</u>

It is of record that through the sinking fund payments, \$145,000.00 of first mortgage bonds and \$4,500.00 of unifying and refunding mortgage bonds have been redeemed. The company asks permission to issue such an amount of Class "A" stock as at 85 will net \$149,737.00. We do not believe that the company for the *

purpose of refunding sinking fund payments should issue stock in excess of the face value of the bonds redeemed. The order therefore will authorize the company to issue \$149,500.00 of Class "A" stock and use the proceeds obtained from the sale of such stock to reimburse the company's treasury because of sinking fund payments.

The proceeds obtained from the sale of \$58,800.00 of stock shall be used by the company to pay the cost of extensions, additions and betterments to its plants and properties.

O R D E R

East Bay Water Company having applied to the Railroad Commission for permission to issue \$208,300.00 par value of its Class "A" six percent. 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 through the issue of such stock is reasonably required by applicant and that this application should be granted, as herein provided, therefore-

IT IS HEREBY ORDERED that the East Bay Water Company be, and it is hereby, authorized to issue and sell on or before December 15, 1924 at not less than \$85 per share, 2083 shares (\$208,300 par value) of its Class "A" six percent. cumulative preferred stock.

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

1. The proceeds obtained from the sale of \$149,500.00 of stock may be used by applicant to reimburse its treasury on account of income expended for sinking fund payments.
2. The remainder of the proceeds obtained from the sale of the stock shall be used by applicant to pay part

of the cost of the Upper San Leandro Development or to pay such cost of other extensions, additions and betterments to its plants and properties as are properly chargeable to fixed capital accounts under the Uniform System of Accounts prescribed by the Railroad Commission.

3. 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 Railroad Commission's General Order No. 24, which order in so far as applicable, is made a part of this order.
4. The authority herein granted will become effective upon the date hereof.

DATED at San Francisco, California, this 8th day of May, 1924.

C. Sauer
H. B. Brundage
Irving Martin

Commissioners.