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Decision No. 13543.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
EAST BAY WATER COMPANY,
a corporation, for an order authorizing the issue of bonds and stock or notes.

Application Number 9571

BY THE COMMISSION:

ORIGINAL

THIRD SUPPLEMENTAL ORDER

The Railroad Commission by Decision Number 13117 dated February 4, 1924, as amended by Decision Number 13233, dated March 1, 1924, authorized East Bay Water Company to issue and sell \$2,000,000 of its Series "C" unifying and refunding mortgage bonds, and \$800,000 of its Class "A" six percent. cumulative preferred stock.

The authority granted by the Commission permits the company to use the proceeds obtained from the sale of the bonds and stock for the purpose of paying in part the cost of acquiring the properties necessary for the Upper San Leandro Project or paying in part the cost of constructing such Upper San Leandro Project or for such other purposes as the Commission might authorize in supplemental orders.

In a supplemental petition filed in the above entitled matter on April 17, 1924 and in exhibits attached thereto, the company reports that during the year ending December 31, 1922 it expended for construction purposes the sum of \$825,383.35; and during the year ending December 31, 1923 the sum of \$1,168,706.13. In addition, it estimates that

during the year 1924 it will be called upon to expend \$987,000 for general construction expenditures, exclusive of the Upper San Leandro Project. The sum of the expenditures, actual or estimated, is \$2,981,089.48. From this amount applicant deducts \$320,000.00 representing credits to the reserve for accrued depreciation during 1922 and 1923; \$177,828.59 obtained from the sale of land; and \$1,016,000 representing proceeds from the sale of securities heretofore authorized by the Commission. Making these deductions, there remains the sum of \$1,467,260.89, which applicant reports has not been paid or provided for through the issue of stock or bonds. We are of the opinion that there should be deducted from the \$1,467,260.89 the 1924 credits to the reserve for accrued depreciation. We will assume that such credits will amount to \$160,000.00.

The company will be authorized to use the proceeds from \$980,500.00 of bonds and the proceeds from \$326,800.00 of stock (instead of \$1,100,250.00 of bonds and \$367,010.98 of stock respectively), to finance in part the expenditures which are described in some detail in Schedules Nos. 1, 2 and 4 attached to the supplemental petition.

IT IS HEREBY ORDERED that the order in Decision Number 13117 dated February 4, 1924, as amended by Decision Number 13233, dated March 1, 1924, as amended, be, and it is hereby, further amended so as to permit East Bay Water Company to use the proceeds from the sale of \$980,500.00 of the bonds and from the sale of \$326,800.00 of stock authorized by those decisions to finance in part the cost of the additions and betterments referred to herein, provided that only such additions and betterments as are properly chargeable to capital account, as defined by the Uniform System of Accounts prescribed by the Commission, may be financed with such proceeds.

IT IS HEREBY FURTHER ORDERED that the order in Decision Number 13117 dated February 4, 1924, and the order in Decision Number 13233 dated March 1, 1924, as amended, shall remain in full force and effect, except as modified by this Third Supplemental Order.

DATED at San Francisco, California, this 9th day of May, 1924.

C. Seaver
H. B. ...
Dwight ...

Commissioners