

Decision No. 14316

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 author-) Application Number 9571
 izing the issue of bonds and stock)
 or notes.)

ORIGINAL

BY THE COMMISSION :

FOURTH SUPPLEMENTAL ORDER

In a supplemental petition filed in the above entitled matter on November 14, 1924, East Bay Water Company asks the Commission to make an order authorizing it to use the unexpended proceeds received from the sale of the stock and bonds authorized to be issued by Decision Number 13117, dated February 4, 1924, as amended.

By Decision Number 13117, dated February 4, 1924, as amended by Decision Number 13233, dated March 1, 1924, the Commission authorized East Bay Water Company to issue \$2,000,000.00 of Series "C" unifying and refunding mortgage six per cent bonds and \$800,000.00 of its Class "A" six per cent preferred stock for the purpose of paying in part the cost of acquiring the properties necessary for the Upper San Leandro Project, or of paying in part the cost of constructing such project, or for such other purposes as the Commission might authorize in supplemental orders. By Decision Number 13543, dated May 9, 1924, the third supplemental order in the above entitled matter, the Commission authorized the company to use the proceeds from the sale of \$980,500.00 of the bonds and \$326,800.00 of the stock authorized to finance in part general construction expenditures made during 1922 and 1923 and estimated for 1924.

In a supplemental application filed in this proceeding on April 17, 1924, on which Decision Number 13543 was based, the company reported that during the year 1922 it expended for construction purposes the sum of \$825,383.35 and during 1923 \$1,168,706.13, a total for the

two years of \$1,994,089.48. From this amount it deducted \$320,000.00 representing credits to the reserve for accrued depreciation during 1922 and 1923, \$177,828.59 obtained from the sale of nonoperative property and \$1,016,000.00 representing proceeds from the sale of securities, leaving a balance of \$480,260.89 which, it was said, was the balance of expenditures for 1922 and 1923 against which no securities were issued.

Applicant now reports that during the period from January 1, to September 30, 1924 it expended \$1,405,780.72 for additions to fixed capital, and it estimates its general capital expenditures for the last three months of 1924 at \$429,000.00 and its expenditures on the Upper San Leandro Project for the last four months of the year at \$280,000.00. Adding these three figures to the balance of \$480,260.89 results in a total of \$2,595,041.61. From this latter amount there should be deducted \$1,307,300.00, the amount of stock and bonds referred to in Decision Number 13543, and \$160,000.00, representing the estimated credit to the reserve for accrued depreciation during 1924. Making this deduction there is left the sum of \$1,127,741.61 to be financed in part with the remaining proceeds on hand which were received from the stock and bonds authorized in this proceeding. The supplemental application shows that there is on hand at this time the proceeds from the sale of bonds of the par value of \$461,464.26 and of stock of the par value of \$293,821.42.

IT IS HEREBY ORDERED that East Bay Water Company be, and it is hereby, authorized to use the remaining unexpended proceeds received from the sale of the stock and bonds authorized by Decision Number 13117, dated February 4, 1924, as amended by Decision Number 13233, dated March 1, 1924 as amended, 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 fixed 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, as amended by the Order in Decision Number 13233, dated March 1, 1924, as amended, shall remain in full force and effect except as modified by this Fourth Supplemental Order.

DATED at San Francisco, California, this 2nd day of December, 1924.

C. L. Severy
H. B. Brundage
Irving Martin
Egerton Shaw

Commissioners.