

LEM

Decision No. 14562

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
SAN JOAQUIN LIGHT AND POWER CORPORATION)	Application No. 10786
for an order authorizing the issue and)	
sale of stock.)	

Murray Bourne, for applicant.

DECOTO, COMMISSIONER.

ORIGINAL

O P I N I O N

In the above numbered application San Joaquin Light and Power Corporation asks permission to issue and sell at not less than \$94. per share, 10,000 shares (\$1,000,000. par value) of its seven percent cumulative prior preferred stock. The Company further asks permission to use the proceeds obtained from the sale of the stock to reimburse its treasury for, or to provide the cost of, making additions, extensions, improvements, or betterments to its properties made, or to be made, subsequent to November 30th, 1924, the cost of which has not been reimbursed to applicant or provided for through the proceeds of the sale of other securities.

San Joaquin Light and Power Corporation has an authorized stock issue of \$150,000,000. divided into \$75,000,000. of seven per cent cumulative prior preferred stock, \$18,500,000. of Class "A" seven percent cumulative preferred stock, \$6,500,000. of Class "B" six percent cumulative preferred stock and \$50,000,000. of common stock.

As of December 31, 1924 the Company reports outstanding stock in the amount of \$26,519,800. divided into \$9,019,800. of seven percent cumulative prior preferred, \$6,424,200. of Class "A" seven percent cumulative preferred, \$75,800. of Class "B" six percent cumulative preferred, and \$11,000,000. of common stock.

As of December 31, 1924 applicant reports its funded debt in the hands of the public at \$35,464,000. divided into \$7,800,000. of seven percent bonds, \$24,589,000. of six percent bonds and \$3,075,000. of five percent bonds. Its current and accrued liabilities are reported at \$1,513,814.66, while its current and accrued assets are reported at \$6,626,883.40.

Applicant in its Exhibit B-1 reports its actual or estimated construction expenditures against which the Commission has not authorized the issue of any bonds or stock at \$2,436,218.66.

The expenditures are reported as follows:-

Balance of Construction Expenditures unfinanced at Dec. 31, 1924, as per Jan. 1925 report under Application No. 9967		\$768,769.97
Balance to complete approved estimates at Dec. 31, 1924, as per statement of Expenditures on file with the Commission	\$426,621.23	
Less Estimate #8892, Nelson Dev.	<u>228,332.60</u>	198,288.43
Estimated Expenditures in 1925:		
Kings River Development	1,029,100.	
Misc. Prod. Capital at various locations	79,458.	
10 KV condenser to be located either at Calif. Ave. or Midway	75,000.	
Increase capacity Coarse Gold Sub.	10,158.	
" " Henrietta "	58,395.	
" " Kearney "	38,504.	
" " Caruthers "	7,000.	
" " Madera "	7,414.	
" " Raymond "	9,932.	
New 110 KV Sub. near Kingsburg	137,115.	
" 110 " " " Le Grand	120,440.	
Regulation, etc., at Corcoran Sub.	23,900.	
" " Midway "	18,000.	
" " Sanger "	20,905.	
" " Alta Vista "	6,802.	
" " Orchard Ave. "	<u>6,802.</u>	<u>1,648,925.00</u>
Carried Forward		\$2,615,983.40

Brought Forward

\$2,615,983.40

Estimated Expenditures in 1925 (con't'd.)

Switching and other equipment at Daikland	\$10,708.	
Misc. installations at various subs. etc.	47,180.	
Line, Midway to Shafter	45,000.	
Tie Lines, switches, increase copper, etc. to improve service:		
Bakersfield District	11,000.	
Corcoran	14,000.	
Dinuba	14,935.	
Fresno	111,250.	
Madera	53,960.	
Merced	3,750.	
San Joaquin	1,436.	
Solma	58,900.	
Taft	2,500.	
Exp. for new business - electric	1,526,645.	
" " " gas	47,901.	
Mains, etc., to inc. capacity of gas system	61,837.	
New gas generator, etc. at Merced	24,500.	
Inc. communication lines and protection at various locations	20,835.	
Improvements, etc., at various locations	12,980.	
Furniture and fixtures, including filing and bookkeeping equipment	51,175.	\$2,100,492.00
		<u>\$4,716,475.40</u>

Less proceeds of securities on hand applicable
to above:

Bonds. Appln.	9651	446,957.58	
"	10073	1,425,000.00	
Stock	"	5207	259,475.20
"	"	9967	148,823.96
			<u>2,280,256.74</u>
			\$2,436,218.66

Applicant asks permission to combine the proceeds obtained from the sale of the \$1,000,000. of stock which it now asks authority to issue with the proceeds obtained from the sale of stock issued by orders in Applications Nos. 5207 and 9967. Consolidation of the proceeds obtained from the sale of stock authorized by the several decisions of the Commission will simplify the filing of reports under the Commission's General Order No. 24.

I herewith submit the following form of order:-

O R D E R

San Joaquin Light and Power Corporation having applied to the Railroad Commission for permission to issue and sell \$1,000,000. of its seven percent cumulative prior preferred stock, a public hearing having been held and the Commission being of the opinion that the money, property or labor to be procured or paid for by the issue of such stock is reasonably required by applicant and that the expenditures herein authorized are not in whole or in part reasonably chargeable to operating expenses or to income,

IT IS HEREBY ORDERED as follows:

1. San Joaquin Light and Power Corporation may issue and sell on or before December 31, 1925, at not less than par, \$1,000,000. of its seven percent cumulative prior preferred stock.

2. Of the proceeds realized from the sale of the stock herein authorized to be issued and sold, San Joaquin Light and Power Corporation may, if necessary, use an amount equal to not more than five percent of the par value of the stock sold to pay commissions and other expenses incident to the sale of the stock. The remainder of the proceeds and such portion of the five percent herein allowed for payment of commissions and other expenses incident to the sale of the stock not necessary for such purposes, shall be used by applicant to reimburse its treasury for, or to provide the cost of, making additions, extensions, improvements or betterments to its properties made, or to be made, subsequent to November 30, 1924, described in its Exhibit B-1, provided that only such part of said cost as is properly chargeable to fixed capital accounts, as defined by the Uniform System of Accounts prescribed or adopted by the Commission, and not heretofore financed through the issue of stock and bonds, may be financed with the proceeds from the sale of the stock and bonds herein authorized to be issued.

3. San Joaquin Light and Power Corporation shall keep such record of the issue and sale 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. For the purpose of reporting under the Commission's General Order No. 24, San Joaquin Light and Power Corporation may consolidate the proceeds obtained from the sale of the \$1,000,000. of stock with the proceeds obtained from the sale of stock, the issue of which is authorized by the Commission's decisions in Applications Nos. 5207 and 9967.

5. The authority herein granted will become effective upon the date hereof.

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 14th day of February, 1925.

H. B. Bunnell
Chauncey
Egerton Snow
George D. Squires
Emmett
Commissioners.