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Decision No. 14888.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
SAN JOAQUIN LIGHT AND POWER CORPORATION)
for an order authorizing the issue and) Application No. 11033
sale of stock.)

ORIGINAL

Murray Bourne, for applicant.

BY THE COMMISSION:

O P I N I O N

San Joaquin Light and Power Corporation asks permission to issue and sell 10,000 shares of its seven percent prior preferred stock of the aggregate par value of \$1,000,000.00 for the purpose of reimbursing its treasury for additions, extensions, improvements or betterments to its properties heretofore made, or to provide the cost of additions, extensions, improvements or betterments to be made subsequent to February 28, 1925, the cost of which has not been reimbursed or provided for through the proceeds from the sale of stock or bonds.

Applicant reports its authorized and outstanding stock as of March 31, 1925 as follows:-

<u>CLASS</u>	<u>AUTHORIZED</u>	<u>OUTSTANDING</u>
Prior preferred-7 percent	\$75,000,000.00	\$9,705,500.00
Series "A" preferred 7 percent	18,500,000.00	6,425,700.00
Series "B" preferred 6 percent	6,500,000.00	73,300.00
Common	50,000,000.00	11,000,000.00
Total.....	<u>\$150,000,000.00</u>	<u>\$27,205,500.00</u>

By Decision No. 14562 dated February 14, 1925 the Commission authorized the company to issue and sell \$1,000,000.00 of its seven percent prior preferred stock. In this application it reports that of the amount authorized it has sold up to March 31, 1925, \$756,900.00 of stock, leaving \$243,100.00 available for future sale. In making the present request to issue an additional \$1,000,000.00 of prior preferred stock, it reports the necessity for more funds to take care of its 1925 construction expenditures.

In Exhibit "B", as amended, it reports uncapitalized construction expenditures as of February 28, 1925 at \$121,351.75 and the balance to complete approved estimates as of the same date, at \$556,587.40, and estimated expenditures during the remaining ten months of the year at \$3,125,120.00, making a total of expenditures heretofore made and estimated up to the close of the year at \$3,803,059.15. From this amount it deducts \$1,871,957.68 received from the sale of bonds heretofore authorized by the Commission and now on hand, \$243,100.00 representing stock to be issued pursuant to Decision No. 14562 and \$316,236.59 representing amounts to be collected from stock heretofore sold under installment contracts. Making these deductions, which aggregate \$2,431,294.17, there is left the sum of \$1,371,764.98 which, according to the testimony, represents total expenditures to the close of 1925 which have not been paid or provided for through the issue of stock or bonds and which are used to justify applicant's present request to issue \$1,000,000.00 of stock.

Applicant asks permission to issue and sell the stock herein applied for at not less than \$96. per share net. It is of record that the company at present is offering its stock for sale at \$101. per share for cash and at \$102. per share if purchased under installment payment contracts. The suggested price of \$96. per share is after making a maximum allowance of \$5.

per share for commissions and other expenses incident to the sale of stock.

ORDER

San Joaquin Light and Power Corporation having applied to the Railroad Commission for permission to issue and sell \$1,000,000 of its prior 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 and sale 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 that San Joaquin Light and Power Corporation be, and it is hereby, authorized to issue and sell at not less than \$96. per share net, on or before April 30, 1926, 10,000 shares of its prior preferred stock of the aggregate par value of \$1,000,000.00, and to use the proceeds to reimburse its treasury for, or to provide the cost of, making the additions, extensions, improvements or betterments to its properties, to which reference is made in the foregoing opinion.

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

1. Only such expenditures, not otherwise capitalized, as are chargeable to fixed capital accounts under the uniform systems of accounts prescribed or adopted by the Railroad Commission may be financed with the proceeds from the sale of the stock herein authorized to be issued.

2. San Joaquin Light and Power Corporation 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.
3. For the purpose of reporting under the Commission's General Order No. 24, San Joaquin Light and Power Corporation may consolidate the proceeds to be received from the sale of the \$1,000,000.00 of stock herein authorized with the proceeds obtained from the sale of the stock, the issue of which has heretofore been authorized by the Railroad Commission.
4. The authority herein granted will become effective upon the date hereof.

DATED at San Francisco, California, this 7th day of May, 1925.

H. B. Brundage

C. Leacey

George D. Squires

Edward W. ...

Commissioners.