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ORIGINAL

Decision No. 15737.

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)
sale of stock.)

Application No. 12029

Murray Bourne, for applicant.

BY THE COMMISSION:

O P I N I O N

In this application, as amended, San Joaquin Light and Power Corporation has applied to the Railroad Commission for permission to issue and sell 5,000 shares of its seven percent cumulative prior preferred stock of the aggregate par value of \$500,000. and 15,000 shares of its six percent cumulative prior preferred stock of the aggregate par value of \$1,500,000. and to use the proceeds to reimburse its treasury for additions, extensions, improvements and betterments to its properties heretofore made, or to provide the cost of additions, extensions, improvements and betterments to be made subsequent to September 30, 1925, the cost of which has not been reimbursed to the company or provided

for from the proceeds of the sale of other securities.

San Joaquin Light and Power Corporation has an authorized capital stock of \$150,000,000. The various classes of stock and the amount of each class outstanding as of September 30, 1925 are as follows:-

	<u>Authorized</u>	<u>Outstanding</u>
Prior preferred seven percent stock	\$75,000,000.	\$10,694,900.
Class "A" seven percent stock	18,500,000.	6,438,700.
Class "B" six percent stock	6,500,000.	61,300.
Common stock	<u>50,000,000.</u>	<u>11,000,000.</u>
Total.....	<u>\$150,000,000.</u>	<u>\$28,194,900.</u>

The company reports that it now proposes, and is taking steps, to reclassify its prior preferred stock so as to provide for \$25,000,000. of seven percent stock and \$50,000,000. of six percent stock. Aside from the dividend rates there are no differences between the two classes of prior preferred stock. The company is reclassifying its prior preferred stock because it believes it advantageous for it to be in a position to sell six percent stock at this time and although it is now asking permission to sell both classes of stock, it reports that it intends to discontinue the sale of the seven percent stock shortly after the first of the year and thereafter to proceed with the sale of the six percent stock.

Permission is asked to use the proceeds from the sale of the stock for construction purposes. In Exhibit "B" the company reports uncapitalized construction expenditures as of September 30, 1925 at \$759,251.08 and the balance to complete approved estimates at \$3,730,224.71 and the estimated expenditures for 1926, exclusive of the Kings River Development, at \$4,446,714. the three items aggregating \$8,936,189.79. From this amount

the company deducts \$1,524,910.30 representing the amounts obtained or to be obtained from the sale of stock and bonds heretofore authorized by the Commission, leaving a balance of \$7,411,279.49 which applicant alleges has not been provided through the issue of securities and against which it now proposes to issue the \$2,000,000. of stock applied for in this proceeding.

O R D E R

San Joaquin Light and Power Corporation having applied to the Railroad Commission for permission to issue 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 by such issue is reasonably required for the purposes specified herein and that the expenditures for such purposes are not in whole or in part reasonably chargeable to operating expense or to income,

IT IS HEREBY ORDERED that San Joaquin Light and Power Corporation be, and it is hereby, authorized to issue and sell, on or before December 31, 1926, \$500,000. of its seven percent cumulative prior preferred stock at not less than par, and \$1,500,000. of its six percent cumulative prior preferred stock at not less than 90 percent of par value.

IT IS HEREBY FURTHER ORDERED that San Joaquin Light and Power Corporation be, and it is hereby, authorized to consolidate the proceeds to be received from the sale of the stock herein authorized with the proceeds received, or to be received, from the sale of the stock heretofore authorized to be issued and sold by orders in Application Nos. 5207, 10786 and 11033, and to use such consolidated proceeds to reimburse its treasury for additions,

extensions, improvements and betterments heretofore made, or to provide the cost of additions, extensions, improvements and betterments to be made subsequent to September 30, 1925, described in applicant's Exhibit "B", the cost of which has not been reimbursed or provided through the sale of other securities, provided that only such expenditures as are properly chargeable to fixed capital accounts, as such accounts are defined by the classifications of accounts prescribed or adopted by this Commission, may be financed with such proceeds.

IT IS HEREBY FURTHER ORDERED that the authority herein granted shall become effective upon the date hereof and that 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 insofar as applicable is made a part of this order.

DATED at San Francisco, California, this 10th day of December, 1925.

H. B. ...

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George D. Squires

Commissioners.