

IRA

Decision No. 17434

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
ROSEVILLE WATER COMPANY,
a corporation, for an order author-
izing the creation of bonded in-
debtedness in the sum of \$200,000.
and the issuance and sale of bonds
in the sum of \$180,000.

ORIGINAL

Application No. 13171

Morrison, Hohfeld, Foerster, Shuman & Clark,
for applicant.

BY THE COMMISSION:

OPINION

In the above entitled matter the Railroad Commission is asked to make an order authorizing Roseville Water Company, a corporation, to create a bonded indebtedness in the sum of \$200,000. and to issue and sell \$180,000. of first mortgage six and one half per cent bonds, due March 15, 1951, for the purpose of refunding outstanding bonds and of financing the cost of extensions, additions and betterments.

The Commission, by Decision No. 16430, dated April 9, 1926, in Application No. 11381, authorized Roseville Water Company to issue \$180,000. of first mortgage six and one half per cent bonds, due March 15, 1951, and to deliver \$61,000. of such bonds for the purpose of refunding the then outstanding \$61,000. of six

percent bonds, due 1937, or to sell said \$61,000. of bonds at not less than 91 percent of face value plus accrued interest and use the proceeds to redeem the outstanding bonds. The order further permitted the sale of the remaining \$119,000. of said \$180,000. of bonds at not less than 91 percent of face value plus accrued interest for the following purposes:-

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|----------------------------------------------------------------------------------------------------------------|-----------|
| (1) To pay outstanding accounts now owing for pipe purchased and installed | \$10,000. |
| (2) To pay for three wells, pump, motors, land on which situate, rights of way and appurtenances | 20,000. |
| (3) To pay for pipe line and its installation from reservoir to City of Roseville, approximately | 30,000. |
| (4) To pay for additions, enlargements and replacements as set forth in Exhibit No. 7, approximately | 37,537. |

Total	<u>\$97,537.</u>
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The remaining proceeds from the sale of the \$119,000.00 of bonds, amounting to \$10,753.00, and such portion of the \$97,537.00 not expended for the purposes set forth in the tabulation, may be used only for such purposes as the Commission might authorize in supplemental orders.

Applicant reports that it has not and does not intend to issue any bonds under the authority granted by Decision No. 16430. For legal reasons counsel for applicant has advised it to re-enact its proceedings looking toward the creation of an authorized bond issue of \$200,000. This has been done and this application filed with the Commission.

In the former proceeding it was reported that there were outstanding \$61,000.00 of six percent bonds, and applicant was

authorized to issue a like amount of new bonds to refund them. It now appears that \$59,000. of the old bonds are now outstanding and it is recited that at or prior to the time the new bonds, herein applied for, will be issued, there will be \$57,000. outstanding. Applicant therefore asks permission to use the proceeds from the sale of \$61,000. of its proposed new bonds to refund the \$57,000. of old bonds outstanding. In other respects the present request is for the same permission asked in Application No. 11381 and granted by Decision No. 16430 and it seems unnecessary to us to comment further on the request in this decision. For a more detailed statement of the proposed expenditures and of applicant's program and of its past earnings record, reference may be made to said Decision No. 16430.

ORDER

Roseville Water Company having applied to the Railroad Commission for permission to issue and sell bonds, and the Railroad Commission being of the opinion that this is a matter in which a public hearing is not necessary and that the money, property or labor to be procured or paid for by such issue and sale is reasonably required by applicant for the purposes specified herein and that the expenditures herein authorized for such purposes are not in whole or in part reasonably chargeable to operating expense, or to income,

IT IS HEREBY ORDERED that the authority granted Roseville Water Company to issue bonds by Decision No. 16430, dated April 9, 1926, in Application No. 11381, be, and it is hereby, vacated and set aside.

IT IS HEREBY FURTHER ORDERED that Roseville Water Company be, and it is hereby, authorized to issue and sell, on or before June 30, 1927, at not less than 91 percent of face value plus accrued interest, \$180,000.00 of its six and one half percent bonds due 1951, and to use the proceeds, other than accrued interest, from the sale of \$61,000.00 of such bonds to refund or to finance the cost of retiring \$61,000.00 of six percent bonds, due 1937, and to use the remaining proceeds, other than accrued interest, for the following purposes:-

1. To pay outstanding accounts now owing for pipe purchased and installed \$10,000.
2. To pay for the three wells, pump, motors, land on which situate, rights of way and appurtenances referred to in this application 20,000.
3. To pay for pipe line and its installation from reservoir to City of Roseville, approximately 30,000.
4. To pay for additions, enlargements and replacements as set forth in Exhibit "B", approximately 37,537.

The remaining proceeds, and such portion of the \$97,537. not expended for the foregoing purposes may be used only for such purposes as the Commission may hereafter authorize. The accrued interest may be used for general corporate purposes.

IT IS HEREBY FURTHER ORDERED that the authority herein granted will not become effective until applicant has paid the fee prescribed by Section 57 of the Public Utilities Act, nor until applicant has filed with the Commission in satisfactory form, a copy of the mortgage or deed of trust securing the payment of the bonds herein authorized and has received from the Commission a supplemental order authorizing the execution of said mortgage or deed of trust.

IT IS HEREBY FURTHER ORDERED that applicant shall keep such record of the issue and sale of the bonds herein authorized and 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 5th
day of October 1926.

H. B. Brundage

O. B. Brundage

Leon Whitall

Commissioners.

FEE PAID ON ORIGINAL APPLICATION

No. 11381 Decision No. 16430

Dated Apr. 26
J. G. Mackinson

Secretary Railroad Commission,
State of California.