

LEM

Decision No. 17877.

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of the)
BEAR VALLEY UTILITY COMPANY,)
a California corporation, for authority)
to issue its Series "B" First Mortgage)
Sinking Fund Gold Bonds in the aggregate)
amount of \$90,000.00.)

Application No. 12503

BY THE COMMISSION:

FIRST SUPPLEMENTAL ORDER

Bear Valley Utility Company, by Decision No. 16049, dated March 2, 1926, in the above entitled matter, was authorized to issue and sell on or before December 31, 1926, \$90,000.00 of its Series "B" first mortgage seven percent bonds due September 1, 1944. The order of the Commission provides that the company shall sell its bonds at not less than 92 percent of face value plus accrued interest, and that it may use \$46,000.00 of the proceeds to pay short term notes, and not exceeding \$23,836.21 to finance estimated expenditures to be made during 1926. The remaining proceeds and such portion of the \$69,836.21 not needed to pay indebtedness and to finance expenditures for 1926 may be used only for such other purposes as the Commission might authorize in supplemental orders.

It appears that the company has issued and sold \$64,500.00 of the bonds authorized and that it has expended all of the proceeds, amounting to \$59,340.00. In a supplemental petition filed on January 3, 1927 it asks permission to use the proceeds from the remaining \$25,500.00 of bonds for the purpose of financing certain additions, betterments and improvements to its system, to be made

during the year 1927. These are described in a supplemental petition as follows:-

FIXED CAPITAL-TELEPHONE:

Central office equipment	\$5,824.73	
Telephone exchange aerial cable	2,665.06	
Telephone exchange underground cable	984.66	
Booths and special fittings	163.12	
Installing 50 new telephone services	<u>2,368.95</u>	
Total telephone additions		\$12,006.52

FIXED CAPITAL-ELECTRIC:

Miscellaneous power pole line extensions	3,643.95	
Installing 100 new electric meters and services	<u>1,715.15</u>	
Total electric additions		5,359.10

FIXED CAPITAL-WATER:

Pump station buildings and structures	2,647.71	
Installing 50 new water meters and services	<u>2,742.57</u>	
Total water additions		5,390.28

FIXED CAPITAL-GENERAL:

Miscellaneous equipment		496.00
Total additions		<u>\$ 23,251.90</u>

We have given consideration to applicant's request and are of the opinion that the money, property or labor to be procured or paid for through the issue of \$25,500.00 of bonds is reasonably required by applicant, and that such expenditures are not in whole or in part reasonably chargeable to operating expenses or to income, and that the supplemental petition should be granted as herein provided, therefore,

IT IS HEREBY ORDERED that the order in Decision No. 16049, dated March 2, 1926, be, and it hereby is, modified so as to permit Bear Valley Utility Company to use not exceeding \$23,251.90 of the proceeds received or to be received from the sale of the bonds authorized therein to finance the cost of the additions, betterments and improvements referred to herein.

IT IS HEREBY FURTHER ORDERED that the time within which Bear Valley Utility Company may issue and sell the bonds authorized by the order in Decision No. 16049, dated March 2, 1926, be, and it is hereby, extended to and including March 31, 1927.

IT IS HEREBY FURTHER ORDERED that the order in Decision No. 16049, dated March 2, 1926, shall remain in full force and effect, except as modified by this First Supplemental Order.

DATED at San Francisco, California, this 12th day of January, 1927.

Ernest J. Fox
H. B. Brundage
C. J. Sweeney
Leon W. Pittall
Thos. J. Rouse

Commissioners.