

Decision No. 17902

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Petition of the  
 TRACY GAS COMPANY,  
 a corporation, for a certificate of  
 public convenience and necessity to  
 furnish gas to the City of Tracy,  
 San Joaquin County, and for an order  
 authorizing the issue and sale of  
 \$100,000.00 of its capital stock and  
 \$100,000.00 of its first mortgage  
 bonds to finance such contemplated  
 improvements.

ORIGINAL

Application No. 13295.

BY THE COMMISSION:

FIRST SUPPLEMENTAL ORDER

The Railroad Commission by its order in Decision No. 17769 dated December 20, 1926, authorized the Tracy Gas Company to issue and sell on or before October 1, 1927, for cash, at not less than par, \$75,000.00 of its common capital stock, and further authorized the company to use of the proceeds authorized from the sale of such stock, an amount not exceeding 12-1/2 percent for the purpose of paying commissions and all other expenses incident to the sale of the stock. The order further provides that all remaining proceeds shall be deposited with a bank or banks and may be expended by applicant only for such purposes as the Commission will authorize by supplemental order or orders. The Commission's order further provides that the Tracy Gas Company shall not enter into any contract for material or enter into any contract for the construction of its proposed gas plant until it has sold at least \$50,000.00 of the stock authorized by the Commission and has on deposit with a bank or

banks at least seventy-five percent of the selling price of such stock.

On January 8, 1927, the Commission was requested to modify its order in Decision No. 17769, dated December 20, 1926, so as to permit the company to immediately start the construction of its gas plant and further permit the company to use at least 17-1/2 percent of the proceeds realized from the sale of the stock to pay commissions and expenses incident to the sale of such stock.

The secretary of the company now represents to the Commission that he has been unable to obtain anyone to underwrite or sell the stock of Tracy Gas Company because the order of the Commission does not permit a sufficient amount to be expended for commissions and stock selling expenses to enable him to obtain anyone to underwrite the sale of the stock. While we are willing to modify our former order insofar as it relates to the commission and expenses that may be paid or incurred in connection with the sale of the stock, we do not believe that the company should be permitted to undertake the construction of its plant until it has the amount of money on deposit referred to in our order. If it is not able to raise such sum, the construction should not be started, and the money required to be deposited in a bank or banks should be returned to the purchasers of stock.

The Commission having considered the request of Tracy Gas Company and being of the opinion that its order in Decision No. 17769, dated December 20, 1926, should be amended as herein provided,

IT IS HEREBY ORDERED that the provision of said order reading

"Of the proceeds realized from the sale of such stock an amount not exceeding 12-1/2 percent may be expended by

applicant to pay commissions and all other expenses incident to the sale of such stock."

be, and the same is hereby modified so as to read:

"Of the proceeds realized from the sale of such stock an amount not exceeding 17-1/2 percent may be expended by applicant to pay commissions and all other expenses incident to the sale of such stock."

IT IS HEREBY FURTHER ORDERED that the order in Decision No. 17769, dated December 20, 1926, shall remain in full force and effect except as modified by this First Supplemental Order.

DATED at San Francisco, California, this 12<sup>th</sup> day of January, 1927.

Ernest West  
H. A. ...  
O. ...  
Leon ...  
Thos. ...

Commissioners.