

LEM

Decision No. 17979.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
MADERA GAS COMPANY )  
for an order authorizing the issu- )  
ance and sale of 12,000 shares of ) Application No. 13449.  
its capital stock. )

Paul Overton, for applicant.

BY THE COMMISSION:

**ORIGINAL**

O P I N I O N

Madera Gas Company asks permission to issue and sell at par to Pacific Lighting Corporation \$12,000.00 of its common capital stock for the purpose of financing in part the cost of additions, extensions and betterments to its plants, properties and equipment to be made during 1927.

The application shows that Madera Gas Company has an authorized capital stock of \$75,000.00 divided into 75,000 shares of the par value of \$1.00 each. At present \$17,050.00 of stock is outstanding, all of which, except three shares held by directors, appears to be owned by Pacific Lighting Corporation. In addition to the stock the company reports that it has outstanding \$43,500.00 of first mortgage six percent bonds due October, 1943, and reports that it has no other indebtedness except current bills.

In Decision No. 14943, dated May 18, 1925, (Vol. 26, Opinions and Orders of the Railroad Commission of California, page 496) the Commission adjusted applicant's rates, using as a rate base for the year 1925, the sum of \$107,576.18. In the present application the company reports that between January 1, 1926 and October 31, 1926 it expended \$878.00 for additions and betterments and it esti-

mates that during the coming year it must expend \$16,644.75 for capital purposes, which amount it seeks to provide in part through the issue of the additional \$12,000.00 of stock.

The \$16,644.75 is segregated as follows:-

Additions to plant, buildings and general structures . . . . .	\$380.45
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This covers the contract price of buildings, a shed over lamp black pit, framing in the South and East Side of the plant building.

Additional storage holders . . . . .	9,000.00
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This is the estimated cost of purchasing second hand, 50,000 cu.ft. holder from the Southern Counties Gas Company at Santa Paula, the wrecking and reconstruction on foundations at Madera.

Additions to purification apparatus . . . . .	1,200.00
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This is the estimated cost of the installation of oil scrubber, 5-1/2 ft. diameter by 25-ft. high and the necessary piping, pumps and oil lines.

Additions accessory equipment at work . . . . .	365.00
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This covers the purchase price of one 6x4x6 circulating water pump, one 3x2x4 oil pump and one 4x3x4 boiler feed pump, and the installation at the plant, Madera.

Additions to distribution mains . . . . .	4,427.30
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This item is as follows:-

4,540 ft. of 4" main, installed at 62 cts.	\$2,814.80
2,250 ft. of 3" main, " " 45 "	1,012.50
1,600 ft. of 2" main, " " 37 1/2 "	600.00

Additions distribution services, 65 services at about \$8.70 each . . . . .	565.00
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Additions, gas meters . . . . . 20 meters installed at \$11.50 each	230.00
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Additional transportation equipment . . . . . 1 Ford roadster, commercial body	477.00
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Total.....	<u>\$16,644.75</u>
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The engineering department of the Railroad Commission has reviewed these expenditures and is of the opinion that they are reasonable and necessary and will result in a material improvement in the company's service.

ORDER

Madera Gas Company having applied to the Railroad Commission for permission to issue and sell \$12,000.00 of common stock, 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 through such issue and sale 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 Madera Gas Company be, and it hereby is, authorized to issue and sell, at not less than par, for cash, \$12,000.00 of its common capital stock and to use the proceeds to finance in part the cost of the additions, extensions and betterments referred to in the foregoing opinion.

IT IS HEREBY FURTHER ORDERED that applicant shall keep such record of the issue and sale 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.

IT IS HEREBY FURTHER ORDERED that the authority herein granted shall become effective upon the date hereof.

DATED at San Francisco, California, this 26<sup>th</sup> day of January, 1927.

Ernest C. Scott  
John B. Brindley  
Charles J. ...  
Thomas S. ...  
Commissioners.