

Decision No. 25253

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
SONOMA WATER & IRRIGATION COMPANY, )  
a corporation, for permission to ) Application No. 17460  
issue bonds. )

BY THE COMMISSION:

THIRD SUPPLEMENTAL ORDER

In a supplemental petition filed in the above entitled matter on October 1, 1932, Sonoma Water & Irrigation Company asks the Railroad Commission to modify its former Decision No. 23944, dated August 10, 1931, so as to permit it to use the bonds authorized by said decision, or the proceeds therefrom, to pay indebtedness and to finance the cost of improvements to its water system.

By Decision No. 23944 the Commission authorized Sonoma Water & Irrigation Company to issue, on or before December 31, 1932, \$25,000.00 of first mortgage six per cent fifteen year bonds. The order of the Commission permitted the company to sell its bonds for cash at not less than 95-1/2 per cent of face value and accrued interest, and to use an amount not exceeding five and one-half per cent of the face value to pay commissions and expenses incident to the sale, resulting in a net price to the company of ninety. The order further directed the company to deposit all the proceeds it may receive from the issue of its bonds in a special bank account to be expended only for such purposes as the Commission might authorize in supplemental orders.

The company now reports that it has sold one bond of the face value of \$1,000.00, receiving therefor the net sum of

\$900.00. It reports in addition that it has made arrangements to deliver \$12,500.00 to one F. A. Dailey in payment for improvements and additions to its water system, including 13,485 feet of 4, 6 and 8 inch standard steel pipe, together with gate valves, pressure reducing valves, services, paving, etc., all as set forth in some detail in Exhibit "A" attached to the supplemental petition. It also reports that it has arranged to deliver at par \$10,000.00 of bonds to Hooper & Company, successors to the Estate of John Faubel, in payment of the \$10,000.00 note referred to in the Commission's former decision.

The company, therefore, desires permission to use the proceeds from the sale of the \$1,000.00 bond, and to use \$12,500.00 of bonds, to pay in full the cost of the construction work referred to in Exhibit "A", and to use \$10,000.00 of bonds to pay the \$10,000.00 note. As to the remaining \$1,500.00 of bonds of the \$25,000.00 authorized by Decision No. 23944, it asks permission to use them, or the proceeds, to pay the cost of services and expenses incident to the issue of the bonds, which cost is alleged to have been in excess of \$1,500.00.

The Commission has given consideration to the company's request and is of the opinion that the expenditures for the purposes indicated herein are reasonably required and are not, in whole or in part, reasonably chargeable to operating expense or to income, therefore,

IT IS HEREBY ORDERED, that the order in Decision No. 23944, dated August 10, 1931, as amended, be, and it hereby is, further amended so as to permit Sonoma Water & Irrigation Company:-

1. To issue \$10,000.00 of the bonds authorized by said Decision No. 23944, at par, in exchange for the \$10,000.00 note referred to in said decision.

2. To issue \$12,500.00 of the bonds authorized by said

Decision No. 23944, at par, and to deliver the same, together with the proceeds from the sale of the \$1,000.00 bond heretofore sold, in full payment for the construction work referred to in Exhibit "A" attached to the supplemental petition filed in this proceeding on October 1, 1932.

3. To use \$1,500.00 of the bonds authorized by said Decision No. 23944, or the proceeds from the sale thereof, to pay the cost of services and expenses incident to the issue of the bonds.

IT IS HEREBY FURTHER ORDERED, that the order in Decision No. 23944, dated August 10, 1931, as amended, shall remain in full force and effect, except as modified by this supplemental order.

DATED at San Francisco, California, this 10th day of October, 1932.

O. C. Leavoy  
Leon Whitely  
M. J. Cur  
W. B. Harris  
Fred G. Stewart  
Commissioners.