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Decision No. 10987.

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE
STATE OF CALIFORNIA

In the Matter of the Application of)
EAST BAY WATER COMPANY,)
a corporation, for an order authori-)
zing the issue of Class "A" 6 per)
cent. cumulative preferred stock.)

Application No. 7430

BY THE COMMISSION:

FIRST SUPPLEMENTAL ORDER

By Decision No. 9964, dated January 4, 1922, in the above entitled matter, the Railroad Commission authorized EAST BAY WATER COMPANY to issue \$333,715.10 of Class "A" 6 per cent. cumulative preferred stock, subject among others, to the condition that \$33,715.10 par value of the stock be sold only for such purposes and at such a price as the Commission may determine by supplemental order.

In Application No. 7823, filed May 4, 1922, East Bay Water Company reported its expenditures on capital account not financed through the issue of bonds or stock at \$3,414,342.49. By Decision No. 10435, dated May 10, 1922, in Application No. 7823, the Commission authorized the company to sell at 97-1/2 per cent. of their face value \$3,000,000.00 of bonds and at 80 per cent. of its par value \$504,000.00 of Class "A" 6 per cent. cumulative preferred stock, all for the purpose of financing in part the company's reported construction expenditures. To July 30, 1922, applicant's reports show that it has sold the \$504,000.00 of stock at 80 and \$2,200,000.00 of bonds at 97-1/2. Assuming the remaining \$800,000.00 of bonds are sold at 97-1/2, applicant will realize from the sale of the \$3,000,000.00 of bonds and the \$504,000.00 of stock, a total of \$3,328,200.00, or a sum which is \$86,142.49 less than its reported construction expendi-

tures of \$3,414,342.49.

In its supplemental petition filed on September 6th, in the above entitled matter, applicant asks permission to use the proceeds obtained from the sale of the \$33,715.10 par value of stock to finance construction expenditures.

The Commission has considered applicant's request and believes that it should be granted as herein provided;

IT IS THEREFORE ORDERED, that the order in Decision No. 9964, dated January 4, 1922, be, and it is hereby, modified so as to permit EAST BAY WATER COMPANY to issue and sell, for cash, on or before December 31, 1922, at not less than 86-1/2 per cent. of its par value and accrued dividends, \$33,715.10 par value of its Class "A" six per cent. cumulative preferred stock and use the proceeds for the purpose of financing in part the construction expenditures reported in Application No. 7430 and in Application No. 7823.

IT IS HEREBY FURTHER ORDERED, that the order in Decision No. 9964, dated January 4, 1922, shall remain in full force and effect except as modified by this First Supplemental Order.

DATED at San Francisco, California, this 14th day of September, 1922.

H. T. Brennan
Livingston M. Martin
Dean H. Howell
J. J. Brennan

Commissioners.