Decision No. 1160.

ORIGINAL

Decision No. 1160

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the matter of the application of TULARE COUNTY POWER COMPANY for authority to issue $80,000.00 of stock.	:	Application No. 862.

C. E. Bush, for applicant.

LOVELAND, Commissioner.

OPINION

This is an application by Tulare County Power Company for authority to issue 800 shares of its consumers' stock of the par value of $100.00 per share.

It is proposed by the applicant to sell the stock at par and to devote the proceeds, in so far as they shall apply, to the following purposes:-

Steam plant additions	$10,250.00
Earlimart distribution lines	26,320.00
Tulare distribution system	17,000.00
Lindsay distribution system	13,300.00
Exeter distribution system	14,000.00
General line extensions	10,500.00
Total	$91,370.00

The applicant is engaged in selling electric power in Tulare county and its field of operation and financial condition have been reviewed at length in previous decisions of this Commission.

In the Commission's decision upon Application No. 81, Tulare County Power Company was given authority to enter the cities of Lindsay, Exeter and Tulare. It now asks for authority to build distribution systems in those cities in the sums stated above.

The applicant proposes to extend its line into the Earlimart district of Tulare county where it is anticipated that a great deal of new business may be attached to its lines. In this connection, also, the company proposes to expend $10,500.00 in general

114

extensions or feeders to get such new business as is offered. Additions and betterments to the company's steam plant are required in a sum to cost $10,250.00.

The applicant has submitted as Exhibit "B", in connection with the application herein, a detailed statement of its proposed expenditures.

The applicant has submitted to the Commission an estimate to the effect that the proposed extensions and additions will increase its gross revenue by $48,220.00 and its net revenue by the sum of $26,620.00 per year.

The consumers' stock which Tulare County Power Company proposes to issue carries with it the privilege of purchasing a fixed amount of power from the corporation at cost.

I find that the sums which the applicant herein proposes to expend are reasonably required for the purposes set out.

I find that the extensions and additions which it proposes to make to its plant are reasonably required in the conduct of its business.

I find, further, that the expenditures to be made are not chargeable to operating expenses or to income.

I recommend, therefore, that the application be granted, and submit the following form of Order:-

O R D E R.

Tulare County Power Company having applied to this Commission for authority to sell 800 shares of its consumers' stock at the par value of $100.00 per share, and to apply the proceeds to be derived therefrom for extensions, additions and betterments, as set forth in the Opinion above;

And a hearing having been held, and it appearing that the money is reasonably required for the purposes named; and it appearing also that the extensions and betterments will greatly increase the applicant's revenue; and it appearing, further,

that the expenditures which the applicant proposes to make are not reasonably chargeable to operating expenses or to income;

IT IS HEREBY ORDERED: That Tulare County Power Company be given authority, and it is hereby given authority, to sell 800 shares of its consumers' stock of the par value of $100.00 per share, said stock to be sold upon the following conditions and not otherwise:-

(1) Said stock shall be sold so as to net applicant the par value thereof.

(2) The money derived from the sale of said stock shall be applied upon the following:-

(a)	Steam plant additions, as set forth in applicant's Exhibit "B"	$10,250.00
(b)	Earlimart distribution lines, as set forth in applicant's Exhibit "B"	26,320.00
(c)	Tulare distribution system, as set forth in applicant's Exhibit "B"	17,000.00
(d)	Lindsay distribution system, as set forth in applicant's Exhibit "B"	13,300.00
(e)	Exeter distribution system as set forth in applicant's Exhibit "B"	14,000.00
(f)	General line extensions, as set forth in applicant's Exhibit "B"	10,500.00
	Total	$91,370.00

(3) Tulare County Power Company shall keep separate, true and accurate accounts showing the receipt and application in

detail of the proceeds of the sale of the consumers' stock hereby authorized to be issued; and on or before the twenty-fifth day of each month the company shall make verified reports to the Commission stating the sale or sales of said consumers' stock during the preceding month, the terms and conditions of the sale, the moneys realized therefrom, and the use and application of such moneys, all in accordance with this Commission's General Order No. 24, which order, in so far as applicable, is made a part of this order.

(4) The authority hereby given to issue such consumers' stock shall apply only to consumers' stock issued by Tulare County Power Company on or before the 30th day of June, 1914.

The foregoing Opinion and Order are hereby approved and ordered filed as the Opinion and Order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 22nd day of December, 1913.

John M. Eshleman

H. D. Loveland

Edwin O. Edgerton

Commissioners.