

ORIGINAL

Decision No. 1980

Decision No.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of)
A. A. Weber and Alta District Gas)
Company for an order authorizing)
sale and mortgage of gas plant and)
distributing system in the City of)
Dinube.)

Application No. 663

Edwards and Smith for applicant

EDGERTON, Commissioner.

SUPPLEMENTAL

O P I N I O N

In an order dated the 23d day of September, 1913, this Commission, among other things, authorized applicant to transfer his gas generating and distributing system in the town of Dinube to Alta District Gas Company, in consideration of the transfer to applicant of \$35,000 par value of the capital stock of said company.

This portion of the order was not acted upon and we are now asked to modify said order so that applicant shall be authorized to transfer said gas generating and distributing plant to said Alta District Gas Company in consideration of the issuance and delivery to applicant of \$28,000 par value of the capital stock of said company.

We are further asked to authorize said gas company to execute a mortgage on said plant after its acquirement in the sum of \$10,000, the proceeds thereof to be used to pay off indebtedness created by applicant in the construction of said plant.

Since the above mentioned order was made there has been

added to the gas plant betterments and additions costing approximately \$3,000. At the time of the aforesaid order \$30,000 had been invested in the plant so that with the additions made since we are advised that the plant has cost approximately \$33,000. There is outstanding a floating indebtedness which will be assumed by the gas company of not to exceed \$1,000.

The net result of granting this application will be that there will be outstanding \$28,000 par value of stock of the gas company and a mortgage upon its property of \$10,000 with a floating indebtedness of \$1,000. In other words, the excess of property over the amount of the mortgage will be represented by stock outstanding at a trifle less than 85 per cent of par.

Applicant shows that in recent months its earnings have been sufficient to assure the payment of the interest on the proposed mortgage.

Applicant also requests that that part of the order heretofore made which authorizes Alta District Gas Company to issue a note not to exceed \$20,000 be cancelled.

I recommend that this application be granted and submit herewith proposed order:

O R D E R

Application having been made by A. A. Weber and Alta District Gas Company to change or modify the order heretofore made herein in the respects set out in the foregoing opinion, and it appearing to the Commission that said application should be granted,

IT IS HEREBY ORDERED by the Railroad Commission of the State of California that the order heretofore made herein on the 23d day of September, 1913, is hereby modified and changed in the following particulars:

A. A. Weber is hereby authorized to sell and Alta District Gas Company is hereby authorized to purchase that certain gas generating and distributing plant located in the city of Dinuba, together with any franchise or franchises under which said gas generating and distributing plant is operated. Consideration for said transfer shall be the issuance to said A. A. Weber of \$28,000 par value of the capital stock of Alta District Gas Company, provided that said property or plant shall be transferred to said company free and clear of encumbrance, except an indebtedness of not to exceed \$10,000, which is to be represented by a note and mortgage executed by Alta District Gas Company, and a floating indebtedness of not to exceed \$1,000.

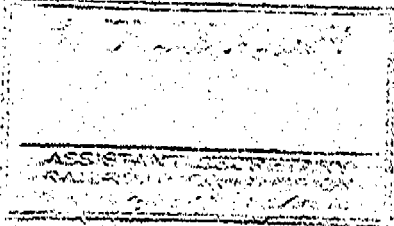
Alta District Gas Company is hereby authorized to execute a promissory note in the principal sum of \$10,000 payable in three years from date, bearing interest at the rate of 8 per cent per annum, payable semi-annually, and secured by a mortgage upon all of the property of said Alta District Gas Company.

That part of the order heretofore made herein on the 23d day of September, 1913, whereby Alta District Gas Company was authorized to issue a promissory note in the principal sum of not to exceed \$20,000 is hereby cancelled and annulled.

Except in the particulars in this order set out the order heretofore made herein on the 23d day of September, 1913 shall remain in full force and effect.

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 3rd day
of December, 1914.



W. H. ...
...

Edwin O. Edgerton

Commissioners.