

Decision No.

ORIGINAL

Decision No. 2470

BEFORE THE RAILROAD COMMISSION OF THE
STATE OF CALIFORNIA.

In the Matter of the Application)
of Mt. Konocti Light and Power)
COMPANY, a corporation, for an) Application No. 1635.
order authorizing the issuance)
of capital stock in the sum of)
\$25,000.)

WILLIAM S. MCKNIGHT for applicant.

GORDON, Commissioner.

O P I N I O N

This is an application by Mt. Konocti Light and Power Company for authority to issue 250 shares of its common capital stock, of the par value of \$100. per share, on account of extensions made, or to be made, to its electric distributing system.

Applicant was incorporated April 25, 1911, for the purpose of distributing electricity in Lake County. It purchases its power from the Snow Mountain Water and Power Company at Hopland, and carries it into Lakeport, from which point it distributes into surrounding territory.

Applicant has recently increased its authorized capitalization from 500 to 1,000 shares of common stock of the par value of \$100. per share. Of this amount 500

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shares are now outstanding, of which 200 shares were issued under an order of this Commission dated May 9, 1913. Applicant is a close corporation - its capital stock being held by four families. The company has paid no dividends during its existence.

Applicant has no bonds or notes outstanding; its entire indebtedness consisting of accounts payable in the sum of \$17,174.91, as more fully set forth in Exhibit II. (amended) attached to the original application.

For the years 1913 and 1914 the company has reported earnings to this Commission as follows:

<u>Year</u>	<u>Operating Revenues</u>	<u>Operating Expenses</u>	<u>Net Operating Revenues</u>	<u>Non-Operating revenues</u>
1912	\$ 6,069.44	\$ 5,664.70	\$ 404.74	\$1,696.21
1913	10,735.15	10,233.09	502.06	-----
1914	13,328.73	11,532.54	1,796.19	-----

Corporate Surplus Unappropriated, Dec. 31, 1914, \$4,232.19.

Applicant estimates the total cost of its main line, plant and system at approximately \$50,000, to which should be added cost of extensions recently made, amounting to approximately \$20,000.

Since the hearing of the application the company has amended in certain minor details the purposes for which it proposes to issue the stock herein applied for. As amended these purposes are as follows:

To payment of indebtedness incurred on account of capital expenditures	\$17,174.91
To reimburse Profit & Loss Account for money used for capital expenditures	4,232.19
To apply on cost of proposed new construction as set forth in Exhibit IV. attached to the original application	<u>3,592.90</u>
	\$25,000.00

After a consideration of the evidence submitted by Mt. Konocti Light and Power Company, I am of the opinion that its application is proper and should be granted, and I accordingly submit the following form of order:

O R D E R

Mt. Konocti Light and Power Company having applied to this Commission for authority to issue and sell 250 shares of its common capital stock of the par value of \$100. per share;

And a hearing having been held, and it appearing that the purposes for which applicant proposes to issue said stock are not in whole or in part chargeable to operating expenses or to income;

IT IS HEREBY ORDERED that Mt. Konocti Light and Power Company be, and it is hereby, authorized to issue 250 shares of its common capital stock upon the following conditions, and not otherwise:

1. The stock herein authorized to be issued shall be issued at not less than its par value of \$100. per share.

2. The stock herein authorized shall be issued only for the following purposes:

To payment of indebtedness incurred on account of capital expenditures	\$17,174.91
To reimburse Profit & Loss Account for money used for capital expenditures	4,232.19
To apply on cost of proposed new construction as set forth in Exhibit IV. attached to the original application	<u>3,592.00</u>
	\$25,000.00

3. Mt. Konocti Light and Power Company shall keep separate, true and accurate accounts showing the receipt and application in detail of the proceeds of the sale of the stock herein 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 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, insofar as applicable, is made a part of this order.

4. The authority herein granted for the issue of stock shall only apply to such stock as shall have been issued on or before December 1, 1915.

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 14th day of June, 1915.

Max J. Helein
H. H. Wilcox
Edwin O. Edgerton
Frank P. Holm

Commissioners.