

Decision No. 216

In the Matter of the Application  
of CENTRAL CALIFORNIA GAS COMPANY  
for an order authorizing the issue  
of bonds and stock for the purpose  
of constructing main transmission  
lines from Exeter to Visalia and  
for the construction of additions  
to gas plant at Visalia and distrib-  
uting systems in Visalia and Tulare.  
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Application 216.

TRELEN, Commissioner.

O P I N I O N.

CENTRAL CALIFORNIA GAS COMPANY asks authority to issue bonds of the face value of \$20,000 and preferred stock of the par value of \$11,800, and to use the proceeds thereof for the construction of a main transmission line between Exeter and Visalia, and also for the issuance of bonds of the face value of \$12,000 and preferred stock of the par value of \$7,400, for the construction of additions to the gas plant at Visalia and the distributing systems in Visalia and Tulare. This work is part of applicant's general plan which has already been discussed in this Commission's opinions in Applications No. 204 and No. 213, to which reference is hereby made. Applicant thinks that it can sell the bonds and stock in connection with the transmission line from Exeter to Visalia so as to net it at least \$26,250, which amount it estimates will cover the work, and that it can sell the bonds and stock in connection with the additions to the gas plant at Visalia and to the distributing systems in Visalia and Tulare for \$16,000, the estimated cost of the work.

I find that the expenditures proposed are reasonable for the purposes specified, in pursuance of applicant's general plan, and that said purposes are not reasonably chargeable to operating expenses or to income. With reference to the preferred stock, see the opinion in Application No. 204.

I recommend that the application be granted and submit

herewith the following form of order:

O R D E R.

CENTRAL CALIFORNIA GAS COMPANY having applied to the Railroad Commission for the consent of the Commission to the issuance by said Company of bonds in the amounts hereinafter specified, said bonds to be payable on the first day of July, 1932, and to bear interest at the rate of 6 per cent per annum, payable semi-annually, and secured by trust deed or mortgage upon all the property of the Company, and also of preferred stock, in the amounts and for the purposes hereinafter specified, and a public hearing having been held upon said application and the Commission finding that said purposes are not in whole or in part reasonably chargeable to operating expenses or to income,

IT IS HEREBY ORDERED that the Railroad Commission hereby authorize the issue by said Central California Gas Company of bonds of said Company, maturing the first day of July, 1932, bearing interest at 6 per cent per annum, payable semi-annually, under and in pursuance of the terms of the mortgage authorized by this Commission's order in Application No. 191, and of its 6 per cent preferred stock, in the amounts and for the purposes and under the conditions following and not otherwise, to-wit:

1. For the purpose of constructing a transmission line from Exeter to Visalia, applicant is hereby authorized to issue bonds of the face value of \$20,000 and preferred stock of the par value of \$11,800, from the sale of which applicant shall net not less than \$26,250.

2. For the purpose of paying for the necessary material and the construction of additions to the gas plant at Visalia and the distributing systems in Visalia and Tulare, as specified in the application, applicant is authorized to issue its bonds of the face value of \$12,000, and its preferred stock of the par value of \$7,400, from the sale of which applicant shall net not less than \$16,000. Applicant shall in any event receive from the sale of its bonds at least 85 plus accrued interest.

3. Central California Gas Company shall keep separate, true and accurate accounts showing the receipt and application in detail of the proceeds of the sale or disposal of the stock and bonds hereby authorized to be issued, and on or before the 25th day of each month, the Company shall make verified reports to the Commission stating the sale or sales of said stock and bonds during the previous month, the terms and conditions of sale, the moneys realized therefrom, and the use and application of such moneys, all in accordance with the provisions of General Order No. 24 of this Commission, which, in so far as applicable, is made a part of this order.

4. The authority hereby given to issue stock and bonds shall apply only to stock and bonds issued by applicant on or before the 30th day of June, 1913.

5. This order shall not become effective until the payment by applicant of the minimum fee as prescribed in this Commission's order on Application No. 213.

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 2nd day of October, 1912.

John M. Eschleman  
W. J. David  
W. J. Gordon  
Max Shelton  
Commissioners.