

ORIGINAL

Decision No. 3156

Decision No.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the matter of the application of)
 OCEANSIDE ELECTRIC & GAS COMPANY)
 for order authorizing the refunding) Application No. 2078.
 of \$12, 042.00 promissory notes by)
 reissuing same for one year.)

Eugene E. Griffes for Applicant.

BY THE COMMISSION.

O P I N I O N .

Oceanside Electric & Gas Company applies to this Commission for an order authorizing the issue of promissory notes hereinafter referred to, for the purpose of refunding a like amount of its promissory notes heretofore authorized and issued under this Commission's decision No. 2170 of February 24, 1915 upon application No. 1521.

By decision No. 1279 of February 17, 1914, the Commission authorized applicant to create a bonded indebtedness of \$25,000.00 to be evidenced by 6 per cent twenty year bonds and to sell sufficient of said bonds at not less than 90% of their face value to net applicant \$14,100.00. Applicant reports that it has not been able to sell bonds at the price authorized; nor at a price which will make its average interest rate less than 8% per annum. It therefore wishes to carry its indebtedness in the form of notes until it can sell bonds to better advantage. It reports that it has no difficulty in securing extensions upon its notes, but that owing to the limited banking facilities at Oceanside, it is obliged to pay 8% interest.

Applicant reports assets and liabilities as of December 31, 1915 with its revenues, expenses and surplus for 2 years prior thereto as follows:

ASSETS.

Fixed Capital installed	\$34,947.47
Cash and Deposits	222.13
Due from Consumers	1,762.43
Material & Supplies	416.89
Prepaid Taxes	201.58
Prepaid Insurance	126.05
Miscellaneous	<u>329.85</u>
Total Assets	\$38,006.40

LIABILITIES.

Capital Stock	18,190.00
Assessments Nos. 1 and 2	3,638.00
Notes Payable	12,042.00
Audited Vouchers, Wages Unpaid	249.55
Miscellaneous Accounts Payable	236.78
Interest Accrued	229.74
Corporate Surplus appropriated since Dec. 31-1912	1,656.43
Corporate Surplus unappropriated	<u>1,763.90</u>
Total Liabilities	\$38,006.40

REVENUES, EXPENSES and SURPLUS.

	<u>1914</u>	<u>1915</u>
Operating revenues	\$7,403.55	\$7,103.15
Operating expenses	<u>7,399.08</u>	<u>6,522.29</u>
Net operating revenues	4.47	580.86
Earnings from bath house	<u>1,498.55</u>	<u>1,929.16</u>
Gross corporate income	1,503.02	2,510.02
Deductions:		
Interest	935.16	1,088.55
Bath House expense	<u>479.78</u>	<u>481.94</u>
Total deductions	1,414.94	1,570.49
Surplus for year	88.08	939.53
Surplus beginning of year	<u>736.29</u>	<u>824.37</u>
Total surplus end of year	824.37	1,763.90

From the second 10% assessment of \$1,819.00 collected during 1915, \$400.00 was applied upon notes payable and the balance was used in extensions of the system.

O R D E R.

Oceanside Electric & Gas Company having applied to the Railroad Commission for an order authorizing the issue of promissory notes hereinafter referred to, for the purpose of

refunding a like amount of its promissory notes heretofore authorized and issued, and

A public hearing having been held upon said application, and the Commission finding that the promissory notes which applicant desires to refund were issued for purposes not in whole or in part reasonably chargeable to operating expenses or to income,

IT IS HEREBY ORDERED that Oceanside Electric & Gas Company be and it is hereby authorized to issue its promissory notes payable one day or more after date to the payees hereinafter designated in the amounts specified for a term or terms not exceeding the total period of 2 years from the date hereof, all of said notes to bear interest at a rate not exceeding 8% per annum. Said notes are described as follows:

Farmers & Merchants Bank (Long Beach)	\$10,000.00
W. S. Hargreaves,	400.00
R. D. Lacey,	742.00
R. D. Lacey	<u>900.00</u>
	\$12,042.00

This order is made upon the following conditions and not otherwise, to wit:

1. Oceanside Electric and Gas Company shall issue said promissory notes at not less than their face value and at an interest rate not in excess of 8 per cent per annum.
2. Oceanside Electric and Gas Company shall issue said promissory notes solely for the purpose of refunding outstanding promissory notes in the same amounts, payable to the same payees.
3. Oceanside Electric and Gas Company shall report to the Railroad Commission, within twenty days after the issue of any of the promissory notes herein authorized to be issued, the fact of the issue and the terms and conditions thereof.

4. This order shall apply only to such promissory notes as may have been issued on or before June 1, 1916.

Applicant may, from time to time, renew the notes herein authorized to be issued, but in no case shall the term or the aggregate terms of any note extend beyond 2 years from the date hereof.

Dated at San Francisco, California, this 14th day of March, 1916.

Max Thelen
W. S. Loveland
W. S. Gordon
Edwin O. Edgerton
Commissioners.