

Decision No.       .

ORIGINAL

Decision No. 3411

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

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In the matter of the application of  
SANTA MARIA GAS AND POWER COMPANY  
for an order authorizing the issue  
of bonds.

} Application No. 2323.

Geo. H. Whipple, of Chickering & Gregory,  
for applicant.

BY THE COMMISSION.

O P I N I O N.

This is an application by Santa Maria Gas and Power Company, a corporation engaged in the business of furnishing natural gas in certain portions of Santa Barbara and San Luis Obispo Counties, for an order authorizing the issue of \$40,000.00 face value of its 6% gold bonds at par.

Under an application to this Commission, designated as No. 1485, which was consolidated with Case No. 747, Santa Maria Gas and Power Company was on April 4, 1916, by Decision No. 3230, granted a certificate of public convenience and necessity authorizing the exercise by applicant of rights and privileges granted to it under the franchise which it had secured from the City of San Luis Obispo. The company now desires to avail itself of the authority given it under said decision and in order to finance the installation of its distributing system in the City of San Luis Obispo it has filed this application.

At the public hearing which was held in San Francisco June 5, 1916, applicant submitted the following balance sheet as of May 15, 1916:

A S S E T S.

CAPITAL ASSETS:

Intangible Capital:

Rights-of-way, franchises & leases.....\$ 32,530.59

Tangible Capital:

Real Estate.....	\$18,320.00	
Buildings & Improvements, (Exclusive of Real Estate).....	10,354.76	
Plant Machinery & Equip't.....	42,649.26	
Oil Field Collection System.....	10,434.77	
Transmission Mains & Distribution Systems.....	186,724.01	
Meters.....	9,960.44	
Regulators & Drips.....	2,476.08	
Services.....	15,725.01	
Tools.....	538.70	
Office Furniture & Fixtures.....	1,169.17	
Transportation Equipment.....	2,190.27	300,542.47
		<u>\$333,073.06</u>

SINKING FUND CASH:..... 17.25

CURRENT ASSETS:

Material & Supplies on hand.....	8,499.95	
Accounts & notes Receivable.....	\$3,130.12	
Less: Reserve for Doubtful Accounts.....	500.00	2,630.12
<u>CASH:</u> .....	.06	11,130.13

DEFERRED CHARGES:

Unexpired Insurance.....	138.90	
Suspense Account.....	10,501.18	10,640.08
		<u>\$354,860.52</u>

L I A B I L I T I E S.

CAPITAL STOCK:

Authorized 2500 shares of \$100.00 each.....	\$250,000.00
Subscribed & fully paid 1000 shares of \$100.00 each.....	100,000.00

FUNDED DEBT:

Authorized, 500 Six per cent Sinking Fund Gold Bonds of \$500.00 each.....	\$250,000.00	
Certified & Delivered by Trustees.....	\$105,000.00	
Less: Bonds cancelled.....	\$4000.00	
In Treasury.....	4000.00	8,000.00
		97,000.00

Current Liabilities:

Bills Payable.....	\$2500.00	
A/C's.....	316.11	
Meter Deposits.....	300.50	
Accrued Bond Interest.....	485.00	3,601.61

RESERVE FOR DEPRECIATION:..... 29,972.48

CAPITAL SURPLUS:..... 83,433.86

REVENUE SURPLUS:..... 34,611.86

Revenue Surplus:

Balance May 15th, 1916.....	6,240.71	
		<u>\$354,860.52</u>

Applicant's deed of trust or mortgage securing its bond issue provides for a total bonded indebtedness of \$250,000.00 evidenced by 500 bonds of the face value of \$500.00 each, of which \$101,000.00 face value have been issued. Of these, \$4,000.00 face value have been retired from the proceeds of the sinking fund provided by said deed of trust or mortgage, leaving \$97,000.00 face value of bonds at present outstanding.

Applicant submitted the following estimate of the cost of its distribution system in the City of San Luis Obispo as follows:

Distribution mains.....	\$14,500.00
Laying, dipping and hauling.....	8,500.00
Fittings.....	1,000.00
Regulator.....	500.00
Buildings and Real Estate.....	1,000.00
Relaying pavements and incidentals.....	5,000.00
Services-- 1,000 at \$10.00 each.....	10,000.00
Meters -- 1,000 at \$ 8.00 each.....	<u>8,000.00</u>
Total.....	\$48,500.00

This estimate is approximately \$6,500.00 more than the estimate made by the company in connection with Application No. 1485 (supra) owing to the fact that a section of larger pipe and other items have been added to the original estimate. Applicant proposes to provide from its income the additional \$8,500.00 over and above the \$40,000.00 to be realized from the sale of its bonds.

The application is, in our opinion, a reasonable one and should be granted.

O R D E R.

SANTA MARIA GAS AND POWER COMPANY having applied to this Commission for authority to issue and sell \$40,000.00 face value

of its bonds at par, and a public hearing having been held upon said application, and the Railroad Commission finding that the purposes for which said bonds or the proceeds thereof are to be used are not in whole or in part reasonably chargeable to operating expenses or to income, and that the application should be granted,

IT IS HEREBY ORDERED that Santa Maria Gas and Power Company be and the same is hereby authorized to issue and sell \$40,000.00 face value of its 6%, 20 year bonds bearing interest at the rate of 6% per annum and maturing April 15, 1927.

The authority herein granted to applicant is granted upon the following conditions and not otherwise:

1. Santa Maria Gas and Power Company shall issue said bonds so as to net said company not less than the face value thereof and accrued interest thereon.

2. The proceeds of the bonds herein authorized shall be applied on account of the estimated cost of \$48,500.00 of applicant's distribution system in the City of San Luis Obispo, referred to in the foregoing opinion, or for the payment or liquidation of temporary notes given in payment or part payment of the purchase or installation of said equipment.

3. The authority herein granted shall apply to such bonds as shall be issued on or before May 31, 1917.

4. Santa Maria Gas and Power Company shall keep a true and accurate record of the issue of the bonds herein authorized and shall on or before the

25th day of the month following the issue of any of said bonds, make a verified report to this Commission setting forth the fact and date of issue, the face value of the bonds so issued, the net amounts received therefor, and the disposition of the proceeds thereof, 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.

5. This order shall not become effective until the fee specified in Section 57 of the Public Utilities Act has been paid.

Dated at San Francisco, California, this 9th day of June, 1916.

Max Thelen

Max Thelen

Stuart R. DeLoach  
Commissioners.

Railroad Commission of California  
JUN 10 1916  
BY W. H. Johnson  
Assistant Secretary