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ORIGINAL

Decision No. 4603

Decision No. _____

BEFORE THE RAILROAD COMMISSION OF
THE STATE OF CALIFORNIA.

* * *

In the Matter of the Application of
SAN JOAQUIN LIGHT AND POWER CORPORATION }
for an order authorizing the issue and }
sale of bonds. }

Application
No. 3140.

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Short & Sutherland by W.A. Sutherland for applicant.

TEBLEN, Commissioner.

O P I N I O N .

In this application, as amended, SAN JOAQUIN LIGHT AND POWER CORPORATION asks authority to issue and sell at not less than 95 per cent. of their face value plus accrued interest \$745,000.00 of its Series "C" 6 per cent. first and refunding mortgage bonds due August 1, 1950.

The testimony in this proceeding shows that applicant may at this time, under its first and refunding mortgage, issue bonds equal in amount to \$594,000.00. It estimates, however, that its earnings for the year ending August 31, 1917 will be sufficiently large to permit it to issue additional bonds in the amount of \$151,000.00.

Reference is here made to Decision No. 4279, dated April 28, 1917, in which appears a statement showing applicant's revenues and expenses for the years 1915 and 1916, also a statement showing its assets and liabilities as of December 31, 1916.

For the year ending August 1, 1917, applicant reports revenues and expenses as follows:

Operating Revenues,	\$1,875,116.03
Operating Expenses, including Taxes and Insurance,	<u>800,521.31</u>
Net Operating Revenues,	\$1,074,594.72
Other Income:	
Interest,	\$16,554.27
Miscellaneous,	<u>34,525.70</u>
Total,	<u>51,079.97</u>
Gross Income,	\$1,125,674.69
Less Uncollectible Bills and sundries,	<u>4,633.17</u>
Amount available for Fixed Charges,	\$1,121,041.52
Accruals, interest, etc.,	
Bond Interest,	\$531,847.73
Other Interest,	<u>11,594.05</u>
Total,	<u>543,441.77</u>
Less Interest charged to Construction,	<u>38,266.95</u>
Net Interest,	<u>505,174.82</u>
Amortization of Bond Discount and expense,	<u>11,055.18</u>
Total Accruals,	<u>516,230.00</u>
Net Profit for Year,	604,811.52
Accrued Sinking Funds,	<u>144,999.96</u>
Net Surplus for Year,	459,811.56

Applicant's Exhibit Number "2" shows bonds outstanding in the following amounts:

<u>CLASS OF SECURITY:</u>	<u>AMOUNT</u>
First and Refunding Mortgage Bonds of San Joaquin Light and Power Corporation,	\$6,763,000.00
Series "A" 6's,	\$1,500,000.00
Series "B" 5's,	2,924,000.00
Series "C" 6's,	<u>2,344,000.00</u>
San Joaquin Power Company 5's,	65,000.00
San Joaquin Light and Power Company 5's,	2,627,000.00
Power, Transit and Light Company 5's,	145,000.00
Bakersfield and Kern Electric Railway Co. 5's,	<u>123,000.00</u>
Grand Total,	\$9,728,000.00

The testimony shows that applicant contemplates to use the proceeds from the bonds for the acquisition of property, the construction, completion, extension and improvement of its facilities and the improvements of its service.

In Exhibit "3", applicant reports estimated expenditures of \$839,760.08 against which no securities have been authorized to be issued by the Commission. Details were furnished the Commission as to some of the estimated expenditures, but not as to others. Only after applicant has filed detailed statements of all its estimated expenditures can the Commission determine the purposes for which the proceeds from the bonds shall be expended. I believe, however, that under the existing conditions, the Commission is justified in authorizing applicant to issue \$745,000.00 of bonds, subject to the terms and provisions of the following order.

O R D E R.

SAN JOAQUIN LIGHT AND POWER CORPORATION having applied to this Commission for authority to issue \$745,000.00 of its Series "C" 6 per cent. bonds due August 1, 1950,

And a hearing having been held and the Commission being of the opinion that the money, property or labor to be procured or paid for by such issue is reasonably required for the purpose or purposes specified in the order, and that such purpose or purposes are not in whole or in part reasonably chargeable to operating expenses or to income,

IT IS HEREBY ORDERED that SAN JOAQUIN LIGHT AND POWER CORPORATION be, and it is hereby, granted authority to issue \$745,000.00 of its Series "C" 6 per cent. first and refunding mortgage bonds due August 1, 1950.

The authority hereby granted is granted upon the following conditions and not otherwise:

1.- The bonds hereby authorized to be issued shall be sold by applicant for cash at not less than 95 per cent. of their face value plus accrued interest.

2.- Of the bonds hereby authorized to be issued, applicant may at this time issue \$594,000.00 face value. The remaining \$151,000.00 face value of bonds may be issued by the applicant when permitted to do so under the terms and provisions of its first and refunding mortgage dated August 1, 1910.

3.- No part of the proceeds of the bonds hereby authorized to be issued shall be expended by applicant until this Commission has made its supplemental order specifying the purposes for which such proceeds shall be expended.

4.- San Joaquin Light and Power Corporation shall keep separate, true and accurate accounts showing the receipt and application in detail of the proceeds of the sale of the bonds hereby authorized to be issued, and on or before the twenty-fifth day of each month the corporation shall make a verified report to the Railroad Commission, stating the sale or sale of said bonds during the previous 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, in so far as applicable, is made a part of this order.

5.- The authority hereby granted to issue bonds shall not become

effective until San Joaquin Light and Power Corporation has paid the fee specified in the Public Utilities Act.

6.- The authority hereby granted to issue bonds shall apply only to such bonds as shall have been issued on or before February 1, 1918.

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
30th - day of August, 1917.

Max Thelen

Elmer Gordon

Frank R. Duvall
Commissioners.

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R. H. Ladd
Agent State Secretary