

ORIGINAL

Decision No. 5349

Decision No. _____

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

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In the matter of the application)
of R. A. ROSE, operating under the)
name of Fair Oaks Electric Company,)
Fair Oaks, California, for an order)
authorizing the issuance of a promis-)
sory note of indebtedness.)

Application No. 3363.

O P I N I O N

BY THE COMMISSION:

R. A. ROSE, doing business under the trade name of Fair Oaks Electric Company, applies for authority to issue note for \$5500 and use the proceeds for refunding notes for \$5275 and for other purposes specified in the order, and to execute deed of trust securing the payment of said note.

A public hearing was held upon the application by Examiner Westover at San Francisco.

Applicant operates a system for distributing electrical energy for light and power purposes in and about Fair Oaks, Sacramento County, and he reports the present cash value of his system as \$8300.58. A check of the inventory and appraisal of the system by the Commission's engineers indicates that the valuation is reasonable.

Applicant reports gross revenue for 1917 of \$2860, maintenance and operation \$1925, in which is included \$1093.20 for electric energy purchased, leaving the net operating revenue of \$935. Since the hearing, applicant has made definite and final arrangement for the loan.

O R D E R

R. A. ROSE, engaged in distributing electrical energy for light and power purposes in and about Fair Oaks, Sacramento County, under the trade name of Fair Oaks Electric Company, having applied to the Railroad Commission for authority to issue note and execute deed of trust herein referred to, and a public hearing having been held upon said application, and the Commission finding that the proceeds of said notes are reasonably required for the purposes specified in the order, which purposes are not in whole or in part reasonably chargeable to operating expenses or to income,

IT IS HEREBY ORDERED that said R. A. Rose be and he is hereby authorized and empowered to issue to Fair Oaks Bank note for \$5500, due 5 years after date, with interest at a rate not exceeding 7% per annum, payable semi-annually, with the privilege of making partial payments thereon at any time; and also to execute deed of trust securing the payment of said note covering the property embracing applicant's electrical distributing system, upon the following conditions:-

1.-The authority herein granted to execute a deed of trust shall not become effective until applicant has filed with the Railroad Commission a copy of its proposed deed of trust and the Railroad Commission has approved the same by a supplemental order herein.

2.-Said note shall be issued at par without payment of commission or allowance of discount, and shall bear interest at a rate not exceeding 7% per annum.

3.-Of the proceeds of said note \$5,275.00 shall be used by applicant for the purpose of refunding notes dated and in favor of payees as follows:-

December 27, 1912, to George P. Robinson and H. A. Buffum.....	\$4,800.00
September 1, 1917, Fair Oaks Bank	475.00

The remaining \$225.00 of the proceeds of said note may be used for capital purposes in making minor extensions in system and such modifications in the construction of the present lines to conform to the statutes governing the safe construction of electrical systems as may be properly chargeable to capital account.

4.-Nothing herein contained shall be construed as a finding by the Commission of the value of applicant's property for any purposes other than those of this proceeding.

5.-The approval herein given of the execution of the deed of trust is for this proceeding only and is not intended as an approval of said deed of trust as to any other legal requirement to which it may be subject.

6.-Applicant shall keep separate, true and accurate accounts showing the receipt and application in detail of the proceeds from the sale of the note herein

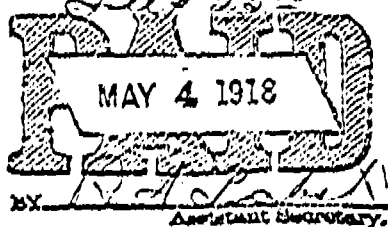
authorized to be issued and on or before the twenty-fifth day of each month the company shall make verified reports to the Railroad Commission as required by the Railroad Commission in its General Order No. 24, which order in so far as applicable, is made a part of this order.

7.-The authority herein granted to issue a note shall not become effective until applicant has paid the fee prescribed by the Public Utilities Act.

8.-The authority herein granted shall apply only to such note as may be issued and such deed of trust as may be executed and delivered within ninety (90) days from date hereof.

Dated at San Francisco, California, this 29th day of April, 1918.

Railroad Commission State of California



Max Thelen
W. B. Loveland
W. G. Gordon
James R. Keenan

Commissioners.