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ORIGINAL

Decision No. 5618

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 authoriz-  
ing the issuance and sale of bonds.

} Application No. 3963.

Short & Sutherland and Murray Bourne, for applicant.

LOVELAND, Commissioner.

O P I N I O N

SAN JOAQUIN LIGHT AND POWER CORPORATION in the petition filed in the above entitled matter asks authority to issue \$113,000.00 of its Series "C" 6 per cent First and Refunding Bonds, payable August 1, 1950. Petitioner desires authority to issue the bonds at not less than 90 per cent of their face value and to use the proceeds from the sale thereof for the acquisition of property, the construction, completion, extension and improvement of its facilities and the improvement of its service. The proceeds are to be used when and as liability to pay the cost of such improvements and betterments accrues or as obligations to pay money borrowed for such purposes mature.

At a hearing held in San Francisco on July 26, 1918, petitioner filed certain additional information as follows:-

Exhibit No. 1 - Earnings Statement for year ending  
May 31, 1918; Balance Sheet, and Summary of Bond  
Statement of May 31, 1918.

Exhibit No. 2 - Proposed Capital Expenditures 1918.

Applicant estimates that it will be required to  
make construction expenditures amounting to \$820,835.92 between  
July 1, 1918 and December 31, 1918.

From testimony given at the hearing it appears that  
petitioner is being called upon to supply a constantly increasing  
demand for power, necessitating these expenditures for generating  
and distributing facilities. It is the intention of petitioner  
to use the proceeds of the bonds which it now desires to issue to  
pay in part for its construction expenditures to be incurred sub-  
sequent to June 30, 1918. I am of the opinion that applicant should  
be permitted to use the proceeds from the sale of its bonds to pay in  
part for such construction expenditures set forth in Exhibit No. 2  
of this petition, on the condition that before any part of the pro-  
ceeds from the sale of the bonds are actually applied against said  
expenditures, petitioner will file with the Commission a detailed state-  
ment of the expenditures which it desires to pay with the proceeds  
of bonds and shall have secured from the Railroad Commission a supple-  
mental order or orders authorizing the expenditure of the proceeds  
of the bonds for the purposes to be specified in such supplemental  
order or orders.

I submit the following form of Order:

O R D E R

SAN JOAQUIN LIGHT AND POWER CORPORATION having applied  
to the Railroad Commission for authority to issue \$113,000.00 of its  
Series "C" 6 per cent First and Refunding Bonds, payable August 1,  
1950; a hearing having been held, and the Railroad 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 is hereby, granted authority to issue \$113,000.00 face value of its Series "C" 6 per cent First and Refunding Bonds, payable August 1, 1950 upon the following conditions:-

1.-The bonds herein authorized to be issued shall be sold by petitioner for cash at not less than 90 per cent of their face value.

2.-The proceeds obtained from the sale of the bonds shall be deposited in a special fund and hereafter expended only for such purposes as the Railroad Commission may by a supplemental order or orders hereinafter designate.

3.-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 herein authorized to be issued; and on or before the twenty-fifth day of each month the corporation shall make verified reports to the Railroad Commission stating the sale or sales of said bonds during the preceding 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.

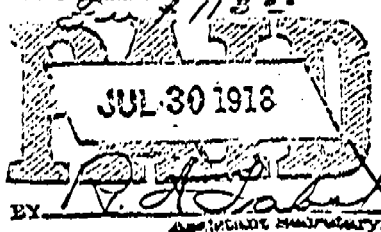
4.-The authority herein granted shall not become effective until petitioner has paid the fee prescribed by the Public Utilities Act.

5.-The authority herein granted shall apply only to such bonds as may be issued on or before December 15, 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 26<sup>th</sup> day of July, 1918.

Railroad Commission State of California



Edwin C. Edgerton  
H. D. Howard  
Alex Gordon

Commissioners.