

MM

Decision No. 5894

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of EAST BAY WATER COMPANY, a
corporation, for an order authorizing
the issue of bonds.

}
} Application No. 4128.

McKee and Tasheira by A. G. Tasheira, for applicant.

EDGERTON, Commissioner.

O P I N I O N

East Bay Water Company asks authority to issue \$131,966.91, face value, of its 5-1/2 per cent first mortgage 30-year bonds, payable January 1, 1946.

Applicant reports that from January 1, 1917 to June 30, 1918, it has expended on capital account the sum of \$164,958.64 against which no stock, bonds, notes or other evidences of indebtedness have been issued. To reimburse its treasury in part because of expenditures, applicant intends to issue bonds in an amount equal to 80 per cent of said construction expenditures or in the sum of \$131,966.91. Of the bonds, applicant reports it will use \$102,000.00 for the purpose of securing in part the payment of the \$1,250,000.00 of 5-year notes, the issue of which was authorized by Decision Number 5674, dated August 10, 1918.

Financial statements submitted by applicant show that its net earnings for the year ending September 30, 1918 have been more than one and one-half times the interest on its outstanding bonds and those it now desires authority to issue.

I herewith submit the following form of Order:-

O R D E R

EAST BAY WATER COMPANY having applied to the Railroad Commission for authority to issue \$131,966.91 face value of bonds, 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 the expenditures for such purpose or purposes are not in whole or in part reasonably chargeable to operating expenses or to income;

IT IS HEREBY ORDERED that East Bay Water Company be, and it is hereby, granted authority to issue \$131,966.91 face value of its 5-1/2 per cent first mortgage 30-year bonds, payable January 1, 1946 for the purpose of reimbursing in part its treasury for expenditures on capital account from January 1, 1917 to June 30, 1918, provided:-

1.-The bonds herein authorized are sold for not less than 92-1/2 per cent of their face value, plus accrued interest, or pledged as collateral security for the payment of \$1,250,000.00 of 5-year notes, the issue of which was authorized by Decision Number 5674, dated August 10, 1918, said bonds to be pledged at such ratio as will render the notes legal investments for savings banks under the Bank Act of California, or at the ratio of \$125.00 face value of bonds for each \$100.00 face value of notes issued.

2.-East Bay Water Company shall keep separate, true and accurate accounts showing the receipt and application in detail of the proceeds from the sale of the bonds herein authorized to be issued, and on or before the twenty-fifth day of each month shall make verified reports to the Railroad Commission in accordance with the Commission's General Order No. 24, which order, in so far as applicable, is made a part of this Order.

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

4.-The authority herein granted shall apply only to such bonds as may be issued on or before March 31, 1919.

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 4th day
^{November}
of October, 1918.

Edwin C. Egan
W. H. G. G. G. G.
Frank P. G. G.

Commissioners.