

ORIGINAL

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Decision No. 6337

BEFORE THE RAILROAD COMMISSION OF
THE STATE OF CALIFORNIA.

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In the Matter of the Application of)
NAPA CITY WATER COMPANY)
for permission to sell \$5,000 trea-) Application No. 4533.
sury bonds.)

L.E. Johnston for applicant.

LOVELAND, Commissioner.

O P I N I O N .

NAPA CITY WATER COMPANY asks permission to issue \$5,000 of its 5 per cent first mortgage bonds due January 1, 1930. Applicant intends to sell the bonds at par and use the proceeds to pay for meters necessary to complete the metering of its water system.

In Decision Number 6184, dated March 12, 1919, the Railroad Commission found that applicant's water system had meters on about 80 per cent of all services. The Commission suggested that applicant meter its entire system. It is for the purpose of carrying out the Commission's suggestion that applicant asks permission to issue the \$5,000 of bonds.

On December 31, 1918, applicant reported assets and liabilities as follows:

ASSETS:

Fixed Capital,.....	\$327,601.50
Cash and Deposits,.....	2,478.60
Unamortized Discount on Stock,.....	2,671.30
Unamortized Discount on Bonds,.....	<u>1,450.00</u>
Total <u>ASSETS</u> ,.....	\$334,201.40

LIABILITIES:

Capital Stock Outstanding,.....	\$221,300.00
Bonds Outstanding,.....	74,000.00
Notes Payable,.....	900.00
Corporate Surplus Unappropriated,.....	<u>38,001.40</u>
Total <u>LIABILITIES</u> ,.....	\$334,201.40

The \$5,000 of bonds which applicant now intends to issue will raise its bonded indebtedness to \$79,000. In Decision Number 6184, the Commission allowed a 6 per cent return on an investment of \$310,000. Applicant should encounter no difficulty whatsoever in paying interest on \$79,000 of bonds.

I herewith submit the following form of Order.

O R D E R.

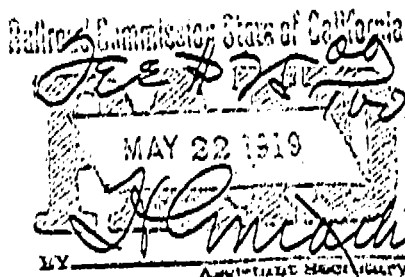
NAPA CITY WATER COMPANY having applied to the Railroad Commission for permission to issue \$5,000 of bonds, a public hearing having been held and the Commission being of the opinion that the money, property or labor to be procured or paid for by such issue is reasonably required for the purpose or purposes 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 NAPA CITY WATER COMPANY be, and it is hereby, granted authority to issue and sell at not less than par, \$5,000 of its 5 per cent first mortgage bonds due January 1, 1930, for the following purposes and upon the following conditions:

- (1).-- The proceeds obtained from the sale of the bonds shall be used for the purposes of paying in whole or in part for the meters and their installation referred to in the petition herein.
- (2).-- Maps City Water Company shall keep such record of the issue and sale of the bonds herein authorized and of the disposition of the proceeds, as will enable it to file on or before the twenty-fifth day of each month a verified report as required by the Commission's General Order Number 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 December 15, 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 14th day of May, 1919.



Edwin O. Coyne
H. L. Loveland
Freund K. Holm
H. N. Brundage
 Commissioners.