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Decision No. 6595.

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

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

Application Number 4809.

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Short & Sutherland and Murray Bourne, for applicant.

MARTIN, Commissioner.

O P I N I O N.

SAN JOAQUIN LIGHT AND POWER CORPORATION asks permission to issue, at not less than 95 per cent of their par value and accrued interest, \$1,250,000 of its Series "C" 6 per cent first and refunding bonds due August 1, 1950.

The record shows that applicant is engaged in extensive construction work. It is building a 30,000 K.W. power plant, to be known as the "Kerckhoff Power Plant", on the San Joaquin River, making preliminary surveys, doing reconnaissance work and building roads in connection with various projects on the north fork of the Kings River, extending its transmission and distribution lines, increasing the capacity of some of its sub-stations and building new ones. The cost of the new power plant, together with the necessary transmission lines and appurtenances, is estimated at from \$3,500,000 to \$4,000,000. Present indications are that the plant will be completed some time prior to June 30, 1920.

The company estimates that up to June 30, 1920, it will be called upon to expend more than \$5,000,000 to pay for the

new power plant and construct extensions, additions and betterments to its plant and system made necessary by the ordinary increase of its business.

In Exhibit "1" filed at the hearing on August 14th, applicant reports its assets and liabilities as of June 30, 1919, as follows:

ASSET ACCOUNTS:

Rights and Franchises,.....	\$14,091,541.17
Organization expenses,.....	24,382.52
Plant,.....	17,291,020.22
Sinking Fund,.....	284,688.71
Treasury securities,.....	209,488.92
Cash,.....	496,108.25
Notes Receivable,.....	407,508.68
Accounts Receivable,.....	740,986.13
Materials and Supplies,.....	590,885.42
Prepaid Taxes and Licenses,.....	3,684.20
Bond Discount and Expense,.....	579,073.95
Stock Discount,.....	1,250,000.00
Prepayments,.....	3,074.97
Unaudited and undistributed Invoices Payable,.....	336,261.86
Miscellaneous Undistributed Disbursements,...	202,940.62
Replacements,.....	4,421.93
<b>TOTAL ASSET ACCOUNTS,.....</b>	<b>\$36,516,067.75</b>

LIABILITY ACCOUNTS:

Common Stock,.....	\$11,000,000.00
Preferred Stock,.....	6,500,000.00
Bonds,.....	13,222,000.00
Notes Payable,.....	717,607.88
Accounts Payable,.....	566,500.69
Unaudited Invoices Payable,.....	336,261.86
Pay Roll,.....	94,089.36
Deposits,.....	55,782.25
Prepayments,.....	13,405.97
Sinking Fund accrued not due,.....	102,841.91
Interest on Funded Debt accrued not due,.....	240,962.62
Interest on Unfunded Debt accrued not due,...	10,129.80
Taxes, Licenses, accrued not due,.....	23,238.42
Reserves,.....	2,069,357.67
Capital Surplus,.....	373,917.50
Surplus,.....	1,189,971.92
<b>TOTAL LIABILITY ACCOUNTS,.....</b>	<b>\$36,516,067.75</b>

Part of the company's current indebtedness has been incurred to pay for, or on account of, the construction of extensions, additions and betterments. The order herein will provide that applicant may use proceeds from the sale of bonds to pay the cost of constructing extensions, additions and betterments described in Exhibit "1" attached to the petition herein.

An earning statement filed by applicant for the year ending June 30, 1919, shows that under the deed of trust, the trustee is authorized to certify forthwith \$709,000 of the bonds covered by this application. The certification of bonds is, of course, a condition precedent to their issue. Because of the urgency of the situation and the facts and circumstances surrounding the issue of bonds by applicant, I believe that it should be permitted to issue and sell the \$1,250,000 of bonds without a further order from the Commission, provided it file with the Commission a copy of all statements which it is required to file with the trustee under its first and refunding mortgage for the purpose of having the trustee certify bonds in addition to the \$709,000, to which reference has been made.

I herewith submit the following form of Order.

O R D E R.

SAN JOAQUIN LIGHT AND POWER CORPORATION having applied to the Railroad Commission for permission to issue bonds, a public 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 this 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 SAN JOAQUIN LIGHT AND POWER CORPORATION be, and it is hereby, granted authority to issue on or before March 1, 1920, at not less than 95 per cent of their face value plus accrued interest, \$1,250,000 of its Series "C" 6 per cent first and refunding mortgage bonds due August 1, 1950, and use the proceeds obtained from the sale of said bonds to pay the cost of building the power plant, extensions, additions and betterments

described in Exhibit "1", attached to the petition herein, or indebtedness incurred on account of the construction of said power plant, extensions, additions and betterments, provided:

(1).-- The authority herein granted will not become effective until applicant has paid the fee prescribed by the Public Utilities Act.

(2).-- San Joaquin Light and Power Corporation will 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 Railroad Commission's General Order Number 24, which order, in so far as applicable, is made a part of this order.

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 29<sup>th</sup> day of August, 1919.

*John H. ...*

*H. Madison*

*Erwin C. Edgerton*  
*H. D. ...*  
*Frank R. ...*  
*H. A. ...*  
*Iving ...*  
Commissioners.