

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

ORIGINAL
Decision No. 6661

In the matter of the application of)
Mt. Konocti Light & Power Company for)
authority to issue \$20,000 of capital)
stock and a note for \$5,000.)

Application No. 422.

A. C. Hastings for applicant.

GORDON, Commissioner.

O P I N I O N.

This is an application by Mt. Konocti Light & Power Company for authority to issue 200 shares of its capital stock at the par value of \$100 per share and to issue a two year six per cent promissory note in the sum of \$5,000. The applicant proposes to use the proceeds from the sale of its stock to pay indebtedness already incurred and to be incurred in extending its lines. The proceeds from the note are also to be used for transmission and distribution lines into new territory.

Applicant was incorporated on April 25, 1911 for the purpose of distributing electricity in Lake County. It purchases power from the Snow Mountain Water & Power Company at Hopland and carries it into Lakeport, from which point it distributes into surrounding territory. It operates in Hopland, Lakeport, Kelseyville, and is extending its lines to Upper Lake and plans extensions into Scott's Valley and to mineral spring resorts scattered throughout Lake County.

Mt. Konocti Light & Power Company has an authorized issue of 500 shares of stock of the par value of \$100 each, of which 300 shares have been issued. The company has five stockholders. Applicant presents a statement of indebtedness to the amount of \$15,000. Of this amount \$11,300 is due three of the five stockholders and \$3,700 is due for equipment, etc. The indebtedness was all incurred for additions and betterments to applicant's property.

Applicant places the cost of its extensions into Upper Lake and Kelseyville at \$21,500, and the cost of the extension into Scott's Valley at \$3,500.

Mt. Konocti Light & Power Company is a close corporation, the stock of which is held among four families. It is the intention of the present stockholders to purchase the additional stock to be sold at par.

I find that the purposes for which the stock is to be issued are purposes for which stock may be properly issued under the Public Utilities Act. I therefore recommend that the application be granted and submit the following form of order:-

O R D E R

Mt. Konocti Light & Power Company having made application to the Railroad Commission for authority to issue 200 shares of its capital stock of the par value of \$100 per share and to issue its promissory note for \$5,000, due in two years, with interest at 6 per cent;

And a hearing having been held, and it appearing that the extensions and improvements for which the stock and note are to be issued are reasonably required in the conduct of applicant's business and that such purposes are not in whole or in part chargeable to operating expenses or to income;

IT IS HEREBY ORDERED that Mt. Konocti Light & Power Company be and it is hereby authorized to issue 200 shares of its capital stock of the par value of \$100 per share and also to issue its promissory note for \$5,000, due in two years, with interest at 6 per cent. Said stock and said note may be issued upon the following conditions and not otherwise:

1. The said 200 shares of stock shall be sold at not less than \$100 per share.

2. Said note of \$5,000 shall be issued so as to net the applicant herein the face value thereof.

3. The proceeds from the sale of said 200 shares of stock and from said note of \$5,000 shall be applied only as follows:

To pay indebtedness of Mt. Konocti Light & Power Company as per Exhibit II of Mt. Konocti Light & Power Company's application on file with this Commission, \$15,000

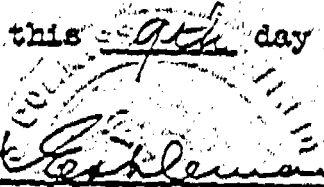
For transmission and distribution lines into Upper Lake and Scott's Valley, 10,000.

4. Mt. Konocti Light & Power Company shall keep separate, true and accurate accounts showing the receipt and application in detail of the proceeds of the sale of the stock ^{and note} hereby authorized to be issued, and on or before the twenty-fifth day of each month, it shall make verified reports to the Commission stating the sale or sales of said stock ^{and note} during the preceding month, the terms and conditions of sale, moneys or properties 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.

5. The authority hereby given to apply only to such stock and to such note as may be issued prior to December 31, 1913.

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 9th day of May, 1913.


John W. Eastman
W. H. ...
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