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Decision No. 1159
(6759)

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)	<u>Application Number 5033.</u>
and sale of bonds.)	

Murray Bourne, Short & Sutherland, by Murray Bourne,
for applicant.

LOVELAND, Commissioner.

O P I N I O N.

SAN JOAQUIN LIGHT AND POWER CORPORATION asks permission to issue \$3,248,000.00 face value of its first and refunding mortgage Series "C" 6 per cent bonds due August 1, 1950. It further asks permission to sell the bonds at not less than 94 per cent of their face value plus accrued interest and use the proceeds to pay for the construction and acquisition of new properties.

In Exhibit "2" attached to the petition, applicant reports its estimated expenditures to construct and acquire necessary properties from July 31, 1919 to July 31, 1920, as follows:

Production Capital,.....	\$5,613,594.24
Transmission Capital,.....	616,860.42
Sub-station Capital,.....	291,010.83
Distribution Capital,.....	843,770.20
General Capital,.....	6,634.60
Gas, Water and Railway Capital, ..	15,683.97
Total,.....	\$5,387,554.26

Applicant is engaged in constructing a new 45,000 horse power hydro-electric generating plant on the San Joaquin River. The

cost of this plant, together with the necessary transmission lines, is estimated at \$4,990,000.00. Active construction work was begun during the early part of this year. The above estimates include the estimated cost to complete the plant.

Applicant reports that it has a market for all the power which it can generate by the new plant ^{that} and if the plant had been in operation during all of 1919, it would have resulted in a saving in operating expenses of about \$900,000.00 expended for the purchase of fuel oil and electrical energy.

In Exhibit four applicant reports, for the year ending July 31, 1919, earnings available to pay fixed charges in the amount of \$1,355,556.63, which is equal to one and one half times the interest on all bonds now issued, or heretofore authorized to be issued, together with the \$3,248,000 bonds applied for in this application.

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 July 1, 1920, at not less than 94 per cent of their face value plus accrued interest \$3,248,000.00 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 Exhibits one and two attached to the petition herein, or indebtedness incurred on account of the construction of said power plant, extensions, additions and betterments, provided:-

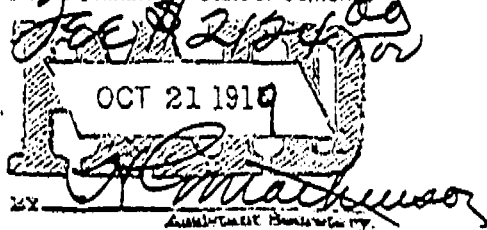
1.--- That the authority herein granted will not become effective until applicant has paid the fee prescribed by the Public Utilities Act.

2.--- That 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 18th day of October, 1919.

Railroad Commission State of California



Edwin O. Edwards
H. D. Loveland
Frank R. Denny

Commissioners.