

Decision No. 768

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the matter of the application of the Beaumont Gas and Power Company, a corporation, for an order authorizing the issue of notes and other evidences of indebtedness secured by mortgage, or deed of trust.

Application No. 479

H. L. Carnahan for applicant.

EDGERTON, Commissioner.

O P I N I O N

This is an application by Beaumont Gas and Power Company for an order authorizing the issuance by said company of a promissory note in the principal sum of \$5,000.00, with interest at the rate of eight per cent per annum, said note to be payable at a date to be hereafter fixed in 1918, or at the option of the payee to be payable on a date in 1916; and for an order authorizing the execution of a trust deed conveying the property of applicant to secure the payment of said promissory note.

The financial condition of applicant is as follows:

Authorized common capital stock, all of which has been issued	\$25,000.00
Indebtedness evidenced by promissory note secured by deed of trust	5,000.00
Indebtedness evidenced by unsecured promissory note	1,000.00
Indebtedness evidenced by unsecured promissory note	600.00

The secured promissory note of \$5,000.00 now outstanding will become due January 5, 1915. This indebtedness draws interest at the rate of eight per cent per annum, the same rate which it is proposed to pay for the money obtained from the note herein asked to be authorized, and the effect of granting this application will

be to postpone the payment of the principal of this indebtedness at least one year, and with the consent of the payee three years.

The money represented by the \$5,000.00 which it is proposed to pay with the proceeds of the note herein asked to be authorized, was expended for extensions and additions to the plant of applicant, and may be properly capitalized.

Applicant is engaged in the business of generating and distributing gas in and about the Town of Beaumont, County of Riverside, and while no exact determination may be had as to the value of applicant's plant which will be security for the payment of the proposed note, it is evident that there is sufficient property to secure the payment of the same, and furthermore, it is reasonable to expect that applicant's revenue will permit the payment of interest on its existing indebtedness, including that herein proposed.

I therefore recommend that the application be granted, and submit herewith the following form of order:

ORDER

Application having been made to the Railroad Commission of the State of California for an order authorizing the issue by Beaumont Gas and Power Company of a promissory note in the principal sum of \$5,000.00 with interest at the rate of eight per cent per annum, and for an order authorizing the conveyance of all of the property of applicant as security for the payment of said note,

And a hearing having been duly held and it appearing to the Commission that the money to be secured by the issue of said note is necessary and reasonably required by said company for the discharge of its obligations, and that the purposes for which the proceeds of the issuance of said note are to be used are not in whole or in part reasonably chargeable to operating expenses or to income,

IT IS HEREBY ORDERED that the Railroad Commission of the State of California does hereby authorize the issue by Beaumont Gas and Power Company of a promissory note in the principal sum of \$5,000.00 with interest at the rate of eight per cent per annum, said note to be payable on a date in 1918, the payee of said note to have the option of demanding payment of principal and interest on a date in 1916, and said Beaumont Gas and Power Company is further authorized to execute a trust deed conveying all of its property as security for the payment of said note.

Said note to be issued under and in pursuance of the terms of a trust deed substantially in the form of a copy of the proposed/^{trust} deed attached to the application herein, and said promissory note to be in substantially the same form as a copy of the proposed note attached to the application herein, upon the following conditions, not otherwise:

1. Beaumont Gas and Power Company shall realize full face value for said promissory note and the proceeds thereof shall be used for the following purpose only:

To pay off and discharge that certain indebtedness of \$5,000.00, evidenced by a promissory note dated January 5, 1910, and secured by a deed of trust dated January 5, 1910, made by the Beaumont Gas and Power Company, as grantor, to the Riverside Title and Trust Company, as trustee, recorded in the office of the County Recorder of the County of Riverside, State of California, on the 13th day of January, 1910, in Book 293 of Deeds, at page 348 et seq thereof.

2. Said company shall within thirty days from the date of this order, furnish the Commission with satisfactory evidence that the indebtedness of \$5,000.00 evidenced by promissory note as above described, has been paid off and discharged.

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 *2nd* day of July, 1913.

John W. Cook
Arthur Gordon
Edwin D. Edgerly

Commissioners.

*Referencing
No. for M.*