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ORIGINAL

Decision No. 8264

BEFORE THE RAILROAD COMMISSION  
OF THE STATE OF CALIFORNIA.

In the Matter of the Application of )  
SAN JOAQUIN LIGHT AND POWER CORPORA- )  
TION for an order authorizing the ex- )  
ecution of a collateral trust agree- )  
ment, the issue and sale of \$2,625,000 ) Application No. 6146  
of collateral trust bonds and the is- )  
sue of \$2,625,000. of first and re- )  
funding bonds. )

Jared How and  
Murray Bourne, for Applicant.

EDGERTON, Commissioner.

O P I N I O N

In this application, as amended, SAN JOAQUIN LIGHT AND POWER CORPORATION asks permission to execute a collateral trust agreement securing the payment of an authorized issue of \$5,000,000 15-year 8% convertible collateral trust bonds; to issue and sell \$2,625,000. of the bonds at not less than 93% of their face value plus accrued interest and use the proceeds to pay current indebtedness and to issue and deposit \$2,625,000. of its Series "C" 6% first and refunding bonds due August 1, 1950, to secure the payment of the \$2,625,000. of 8% convertible collateral trust bonds.

During the current year applicant has completed the installation of an additional electrical generating unit at its steam plant in Bakersfield and has completed the Kerckhoff hydroelectric generating plant. The former has a generating capacity of approximately 17,000 H.P., and the latter of 40,000 H.P.

Applicant reports that it has expended \$3,050,738.24 for plant extensions, additions and betterments, against which it has issued no stock, bonds or notes under authority granted by the Commission.

In Exhibit No. 2 applicant reports its current liabilities at \$4,726,069.83, which includes \$5,019,356.84 of notes payable.

To complete the Kerckhoff power plant and the additional generating unit at Bakersfield, as well as to construct necessary extensions, additions and betterments, the company during the past few months has found it necessary to issue large amounts of short term notes and incur open account indebtedness.

Applicant has made arrangements for the sale of \$2,625,000. of its 8% convertible collateral trust bonds and asks permission to use the proceeds to pay current indebtedness. The order herein will permit the company to pay such current indebtedness as was incurred in connection with or for the purpose of constructing plant extensions, additions and betterments.

Applicant has not filed with the Commission a copy of the collateral trust agreement defining the terms and conditions under which the convertible trust bonds are to be issued. The authority herein granted will not become effective until the Commission has by supplemental order authorized the company to execute the collateral trust agreement.

I herewith submit the following form of order;-

#### ORDER

SAN JOAQUIN LIGHT AND POWER CORPORATION, having applied to the Railroad Commission for permission to execute a collateral trust agreement: to issue and sell \$2,625,000. of 15-year 8% convertible collateral trust bonds and to issue \$2,625,000. of Series "C" 6% first and refunding 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 reas-

onably 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, authorized to issue and sell for cash at not less than 93% of their face value, plus accrued interest, \$2,625,000. of Series "D" 15-year 8% convertible collateral trust bonds, and refund said bonds through the issue of Series "C" 6% first and refunding bonds upon such terms as the Commission may authorize in a supplemental order herein;

IT IS HEREBY FURTHER ORDERED that SAN JOAQUIN LIGHT AND POWER CORPORATION be, and it is hereby, authorized to issue and deposit as collateral to secure the payment of the \$2,625,000. of Series "D" 8% convertible collateral trust bonds, \$2,625,000. of Series "C" 6% first and refunding bonds.

The authority herein granted is subject to further conditions as follows:-

1.--None of the 8% convertible collateral trust bonds shall be issued and delivered until this Commission has, by supplemental order, approved the collateral trust agreement securing the payment of the bonds and defining the terms and conditions under which said bonds will be issued.

2-- The proceeds obtained from the sale of the 8% convertible collateral trust bonds may be used by San Joaquin Light and Power Corporation to pay notes issued and current indebtedness incurred in connection with the construction of the additional steam generating unit at the company's Bakersfield steam plant, the Kerckhoff hydro-electric generating plant and plant extensions, additions and betterments, to which reference is made in Exhibit No.1 attached to the original petition herein.

3 ---For each \$1,000. 8% convertible collateral trust bond paid by applicant, \$1,000. of its Series "C" first and refunding 6% bonds herein authorized to be deposited as collateral, shall be returned to applicant's treasury and thereafter issued only as authorized by the Commission.

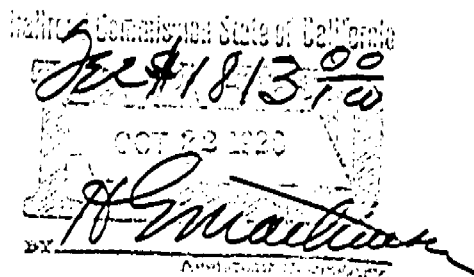
4 ---San Joaquin Light and Power Corporation shall keep such record of the issue, sale and deposit of the bonds herein authorized and of the disposition of the proceeds as will enable it to file on or before the 25th day of each month a verified report, as required by the Railroad Commission's General Order No. 24, which order in so far as applicable, is made a part of this order.

5-- The authority herein granted will not become effective until applicant has paid the fee prescribed in the Public Utilities Act.

6-- The authority herein granted will apply only to such 8% convertible collateral trust bonds as may be issued and sold on or before March 1, 1921.

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 21<sup>st</sup> day of October, 1920.



Edwin O. Edgerton

Frank R. DeWitt

Dwight Manton  
Commissioners.