

ORIGINAL

Decision No. 8615-

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 ONTARIO POWER COMPANY) Application Number 6480
 for an order authorizing the issue)
 of 7% preferred stock.)

Glenn D. Smith, for Applicant.

LOVELAND, Commissioner:

O P I N I O N

ONTARIO POWER COMPANY asks permission to issue at par \$50,000. of its 7% cumulative preferred stock and use the proceeds to reimburse its treasury and pay for additions and betterments.

The testimony shows that to give adequate service in the community throughout which applicant operates, it is necessary for applicant at this time to expend approximately \$25,720.07 for new lines, transformers, meters and other additions and betterments.

Applicant has agreed to construct the following new lines and in order to give the service required, will be obliged to purchase transformers and meters as follows:-

I herewith submit the following form of order;-

 O R D E R

ONTARIO POWER COMPANY, having applied to the Railroad Commission for permission to issue \$50,000. of its 7% cumulative preferred stock, a public hearing having been held, and the Commission being of the opinion that the money, property or labor to be procured or paid for by such issue, is reasonably required by applicant, and that the expenditures herein authorized are not in whole or in part reasonably chargeable to operating expenses or to income;

IT IS HEREBY ORDERED that Ontario Power Company be, and it is hereby, authorized to issue and sell, for cash, at not less than par, \$50,000. of its 7% cumulative preferred stock and use \$24,380.08 of the proceeds to reimburse its treasury on account of earnings invested in plant extensions, additions and betterments, from October 15th to December 31, 1920, and use the remainder of the proceeds to pay for line extensions, transformers, meters and other additions and betterments described in Exhibit "B" attached to its petition.

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

1. ONTARIO POWER COMPANY shall keep such record of the issue and sale of the stock 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

<u>Estimate L-1:</u>	13,750 feet, 11,500 volt extension on Dessau Street from Fern Avenue west to Benson Avenue, thence south on Benson Avenue to Ely Street and west on Ely Street to Central Avenue	\$4,968.98
<u>Estimate L-2:</u>	5,764 feet, 11,500-2,200 volt extension to Schowalter Well	2,649.82
<u>Estimate L-3:</u>	28,685 feet 11,500 volt line from Turner Avenue west to Ballou Well; from Turner Avenue east to Guasti Well and south on Turner Avenue to Langer Well	8,921.12
<u>Estimate L-4:</u>	6,600 feet 2,200 volt line on Grove Avenue from Dessau Street to Ely Street	2,129.46
<u>Estimate L-5:</u>	3,700 feet 2,200 volt line on San Bernardino Avenue, from Campus Avenue, to New Hotel at Sycamore Grove near Red Hill	1,250.28
Transformers		5,262.15
Meters		<u>538.26</u>
Total estimated cost of new lines, transformers and meters		<u>\$25,720.07</u>

For the 11 months ending November 30, 1920, applicant reports, after providing for operating expenses, depreciation, taxes, interest and the customary dividend on its outstanding stock, surplus earnings of \$24,135.34. As of November 30, 1920 applicant ~~reports~~ ~~an~~ accumulated profit of \$59,516.27.

Glenn D. Smith, applicant's general manager, testified that the company's surplus earnings and profit have been invested in plant extensions, additions and betterments. Applicant reports that it has expended for plant extensions, additions and betterments from October 15, 1920 to December 31, 1920 the sum of \$24,380.08 and that it has drawn upon its surplus earnings and profit to pay for these extensions, additions and betterments. A detailed statement of applicant's actual or proposed expenditures has been filed with the Commission. These have been examined by the Engineering Department of the Commission and found to be reasonable.

the Railroad Commission's General Order No. 24,
which order, in so far as applicable, is made
a part of this order.

2. The authority herein granted will apply only to such
stock as may be issued and sold on or before
June 30, 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 10th day
of February, 1921.

H. D. Bradford
Frank D. Owen
H. K. ...
James ...
Chas. H. ...

Commissioners.