

IM.

Decision No. 9278 -

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application
of SAN JOAQUIN LIGHT AND POWER
CORPORATION for authority to re-
new certain notes.

Application Number 6982.

A. E. Peat, for Applicant.

LOVELAND, COMMISSIONER.

O P I N I O N.

In this application, as amended at the hearing, San Joaquin Light and Power Corporation asks permission to issue its promissory notes in the aggregate face amount of \$332,691.31.

The company proposes to issue \$296,000. of the notes to pay or refund the following outstanding notes:-

Payee	Date of Last renewal	Rate	Due Date	Age	Amount
Western Pipe & Steel Co.	4/22/21	7%	7/22/21	11 mo.	\$20,000.
First Nat'l Bank-Fresno	3/25/21	7%	6/25/21	12 mo.	25,000.
Security Tr. & Savings Bank, Los Angeles	5/2/21	7%	8/1/21	12 mo.	75,000.
Union Bank & Trust Co., Los Angeles	5/2/21	7%	8/1/21	12 mo.	50,000.
Security Trust & Sav. Bank, Los Angeles	5/9/21	7%	8/7/21	12 mo.	50,000.
Nat'l. Bank of Bakersfield	3/10/21	7%	9/10/21	12 mo.	10,000.
First Bank of Kern, "	6/28/21	7%	9/28/21	12 mo.	16,000.
Fidelity Trust & Sav. Bank, Fresno	6/6/21	7%	9/5/21	12 mo.	20,000.
Fidelity Tr. & Sav. Bank, Fresno	6/20/21	7%	9/19/21	12 mo.	30,000.

135-86
104
333

161,000
130,000
291,000
39,691.31
330,691.31

252

A. E. Peat, applicant's treasurer, testified that the money secured by the issue of each note was used by applicant for the acquisition of property and for the construction, extension and improvement of its facilities and services, and that none of the money was used to pay operating expenses.

The record shows that \$135,000. of the notes to be refunded were issued pursuant to authority granted by the Railroad Commission in Decision Number 7855, dated July 10, 1920, and that the issue of the remaining notes amounting to \$161,000. and representing indebtedness incurred for a period of less than one year, has not been authorized by the Commission heretofore.

At the hearing, applicant amended its application so as to ask permission to issue to San Joaquin Valley Farm Lands Company or order, its promissory note or notes aggregating \$36,691.30, bearing interest at 6% per annum, dated March 1, 1921, and maturing March 1, 1926. The record shows that applicant at a cost of \$146,765.27 has constructed a substation on the property of San Joaquin Valley Farm Lands Company, a high voltage electric power transmission line of about 5,000 H.P., from its present terminus at a point about four miles west of the City of Fresno to the new substation, and an 11,000 volt transmission line connecting the new substation on the land of San Joaquin Valley Farm Lands Company, with a pumping plant on the properties of a certain irrigation district known as the Tranquility Irrigation District.

Applicant also has built, or has agreed to build, distributing lines within Tranquility Irrigation District and James Irrigation District. It appears that the two irrigation districts have recently been organized and that they are desirous of obtaining power chiefly to operate pumps for the production of water for irrigation purposes. San Joaquin Valley Farm Lands Company is the largest individual land owner within these districts.

It appears that San Joaquin Valley Farm Lands Company has made advances to applicant for this construction work and that applicant proposes to pay up such advances by the issue of \$110,073.96 of prior preferred stock at \$98.50 per share, and \$36,691.31 of promissory notes.

The issue of the prior preferred stock has been authorized by the Commission in Decision Number 7057 dated January 26, 1920. Applicant now asks permission to issue the \$36,691.31 of notes. San Joaquin Valley Farm Lands Company has agreed to accept the notes and stock in payment of its advances.

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 notes, 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 herein, and that the expenditure 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 at not less than face value on or before December 31, 1921 its promissory notes in the aggregate amount of \$362,691.31.

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

1. \$296,000. of the notes herein authorized shall be issued for a period of one year for the purpose of renewing the notes referred to and described in the preceding opinion. Such notes shall be issued to the same payees in the same amounts as the notes they will give to renew, and shall bear interest at not exceeding 7% per annum.

2. \$36,691.30 of the notes herein authorized shall be issued to San Joaquin Valley Farm Lands Company or order, for the purpose specified in the preceding opinion, Such note or notes shall bear interest at not exceeding 6% per annum, and shall mature on or before five years after date of issue.

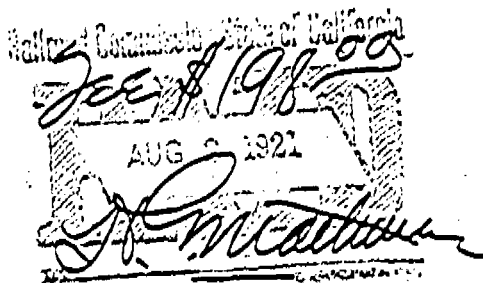
3. Applicant may, if it so desires, issue the \$296,000. of notes referred to in Condition "1" for a period of less than one year and renew such notes from time to time, provided that the combined term of the notes herein authorized and of the notes issued in renewal, shall not exceed one year from the date of the first note issued under this order.

4. The authority herein granted shall not become effective until applicant has paid the fee prescribed in the Public Utilities Act.

5. Applicant shall keep such record of the issue of the notes 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.

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 27th day of July, 1921.



H. B. Pundigg
H. D. Loveland
Dwight Martin

Commissioners.

See letter att. 4-
H.M.

July 28, 1921

Ap. No. 6982

San Joaquin Light and Power Corporation,
Fresno, California.

Attention of Mr. A. E. Peat

Gentlemen:

Your Application No. 6982, for permission to issue promissory notes aggregating \$332,691.31 has been permitted under Decision No. 9275, dated this date.

Of the aggregate amount we find that the fee has been paid on the third, fifth and sixth items in your application, namely, notes due Security Trust and Savings Bank, Los Angeles, \$75,000; Security Trust and Savings Bank, Los Angeles, \$50,000; National Bank of Bakersfield, \$10,000; aggregating \$135,000.00, in Application No. 5901 under Decision No. 7855, July 10th, 1920.

There remains fee to be paid on the remainder of the note issue, \$197,691.31, in amount \$198.00. Kindly forward your check in this amount that the decision may be released for your benefit.

Very truly yours,

RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

By

Secretary

HCM IS

RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

AUG 2 1921

EX-_____