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Decision No. 9374
7036.

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE
STATE OF CALIFORNIA

In the Matter of the Application of)
COAST COUNTIES GAS AND ELECTRIC COMPANY,)
a corporation, for an order to issue)
1000 shares of the first preferred stock)
of said corporation at 85 per cent. of)
the par value.)

Application No. 7036

Leo Sussman for applicant.

LOVELAND, Commissioner.

O P I N I O N.

COAST COUNTIES GAS AND ELECTRIC COMPANY asks permission to issue and sell at not less than \$85.00 per share 1000 shares (\$100,000.00) of its 6 per cent first preferred stock and use the proceeds to reimburse its treasury on account of earnings expended for additions and betterments to its plant and system.

Coast Counties Gas and Electric Company has an authorized stock issue of \$4,000,000.00 divided into \$1,000,000.00 of first preferred, \$1,000,000.00 of original preferred and \$2,000,000.00 of common stock. Stock in the amount of \$2,180,000.00, consisting of \$180,000.00 of first preferred, \$1,000,000.00 of original preferred and \$1,000,000.00 of common is outstanding.

The company's balance sheet as of June 30, 1921, Exhibit "B", shows funded debt in the hands of the public amounting to \$1,421,000.00. As of the same date, the company reports \$49,012.78 of notes and \$71,078.91 of accounts payable.

In Exhibit "D" filed in this proceeding, the company reports that from July 1, 1917 to December 31, 1920, it expended the sum of \$284,671.93 for additions and betterments to its plant and system. Of this amount, \$1,425.49 has been financed through the sale of stock, the issue of which has heretofore been authorized by the Commission. Deducting the \$1,425.49 from the \$284,671.93 leaves \$283,246.44, against which the Commission has not authorized the issue of stock or bonds.

The company asks permission to issue and sell \$100,000.00 of its first preferred stock to reimburse its treasury and finance part of its construction expenditures incurred on or before December 31, 1920. The record shows that the company has invested in its plant and business earnings in excess of \$100,000.00. I am of the opinion that because of such investment, the company may properly be permitted to issue \$100,000.00 of stock for the purpose of reimbursing its treasury.

I herewith submit the following form of Order.

O R D E R.

COAST COUNTIES GAS AND ELECTRIC COMPANY having applied to the Railroad Commission for permission to issue \$100,000.00 of its first preferred stock, 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 COAST COUNTIES GAS AND ELECTRIC COMPANY be, and it is hereby, authorized to issue and sell, for cash, at not less than \$85.00 per share 1000 shares (\$100,000.00)

of its first preferred 6 per cent stock for the purpose of reimbursing its treasury on account of earnings expended for additions and betterments reported in Exhibit "D" filed in this proceeding and to finance in part the expenditures reported in said exhibit.

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

1.--Coast Counties Gas and Electric 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 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, sold and delivered on or before April 1, 1922.

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 16th day of August, 1921.

H. H. Brundage
H. D. Lovland
Marion Martin
Wesley H. Brown
J. H. C. ...
Commissioners.