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Decision No. 9566

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of)
COAST VALLEYS GAS AND ELECTRIC COM-)
PANY, a corporation, for an order) Application Number 6204.
authorizing the issue of bonds of the)
face value of \$375,000.00.)

BY THE COMMISSION:

SECOND SUPPLEMENTAL ORDER.

In its third supplemental application in the above entitled matter, as amended at the hearing before Examiner Geary, COAST VALLEYS GAS AND ELECTRIC COMPANY asks permission to issue and sell at not less than 94 per cent. of their face value and accrued interest \$113,000.00 of its collateral trust 10-year 8 per cent. gold notes and to secure the payment of such notes by the deposit of first mortgage bonds. The Commission has by Decision Number 8409, dated November 30, 1920, authorized applicant to issue \$375,000.00 of its first mortgage bonds and deposit them as collateral from time to time as authorized by the Commission. The company has authority now to deposit and has deposited \$205,000.00 of the \$375,000.00 of bonds. The remainder of the bonds it asks permission to deposit from time to time to secure the payment of the \$113,000.00 of collateral trust notes. In Exhibit "5" filed in this proceeding, applicant estimates that it will have to expend for the acquisition of properties and the construction and completion of extensions and improvements, of its facilities, the sum of \$407,301.85. The testimony shows that from November 1, 1920 to May 31, 1920, it has expended \$99,400.00 for these purposes. It asks permission to

use the proceeds obtained from the sale of its collateral trust notes to pay in part expenditures set forth in Exhibit No. "5".

A public hearing having been held on the third supplemental application filed in the above entitled matter and the Commission being of the opinion that the money, property or labor to be procured or paid for through the issue of the collateral trust notes herein authorized is reasonably required by the 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 COAST VALLEYS GAS AND ELECTRIC COMPANY be, and it is hereby, authorized to issue and sell, for cash, on or before December 31, 1921, at not less than 94 per cent. of their face value and accrued interest \$113,000.00 of its collateral trust 10-year 8 per cent. gold notes and secure the payment of such notes by the deposit of \$170,000.00 of its first mortgage bonds, the issue of which is authorized by Decision No. 8409, dated November 30, 1920, said bonds to be deposited subject to the terms and conditions of said Decision No. 8409.

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

- 1.--The proceeds realized from the sale of the collateral trust notes shall be used by applicant to pay the cost of the plant extensions, additions and betterments reported in Exhibit "5" filed in this proceeding, provided that the cost of such plant extensions, additions and betterments is chargeable to capital account as defined by the uniform classification of accounts prescribed by the Commission.
- 2.--Coast Valley Gas and Electric Company shall keep such record of the issue and sale 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.

3.--The authority herein granted will not become effective until applicant has paid the fee prescribed by Section 57 of the Public Utilities Act.

DATED at San Francisco, California, this 27th day of September, 1921.

FEE PAID ON ORIGINAL APPLICATION
No. 6204 Decision No. 8409
Dated 27 day of Dec 1920
J. H. Matthews
Secretary,
Railroad Commission State of California

J. H. Matthews
Charles H. Lowell
J. H. Matthews
Commissioners.