

IM

Decision No. 91.30

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

ORIGINAL

In the Matter of the Application of)
R. A. ROSE, operating under the name)
of FAIR OAKS ELECTRIC COMPANY, Fair) Application Number 7182.
Oaks, California, for an order auth-)
orizing the issue of promissory notes.)

R. A. ROSE, in propria persona.

BY THE COMMISSION:

O P I N I O N

In this application, as amended at the hearing, R. A. Rose, operating a public utility business under the name of FAIR OAKS ELECTRIC COMPANY, asks permission to execute a mortgage or deed of trust and to issue a note or notes for \$10,000.00, bearing interest at not more than 7 percent. per annum, and maturing on or before 10 years after date of issue.

A public hearing was held before Examiner Satterwhite in Sacramento on October 17, 1921.

R. A. Rose owns and operates an electrical distributing system in and about Fair Oaks Townsite, Sacramento County, California.

For the years ending December 31, 1919 and December 31, 1920 and the 8 months ending August 31, 1921, he reports his electric revenues and expenses as follows:-

	REVENUES	EXPENSES	NET REVENUE
1919 . . .	\$3,047.37	\$ 2,800.30	\$ 247.07
1920 . . .	4,567.43	3,846.04	721.39
1921 (8 Mos.)	3,542.57	2,667.57	875.00

While R. A. Rose requests permission to issue a note or notes in the aggregate face value of \$10,000.00, he proposes to issue forthwith a note or notes only in the sum of \$7,000.00. The \$7,000.00 secured through the issue of such note or notes will be used to refund indebtedness and install meters. R. A. Rose reports that he has incurred against his utility properties, indebtedness in the amount of \$6,580.00, consisting of miscellaneous accounts payable aggregating \$830.00; and of two notes- one for \$5,000. and one for \$750. The issue of the \$5,000.00 note was authorized by the Commission in Decision Number 5349, dated April 29, 1918 (Volume 15, Opinions and Orders of the Railroad Commission of California, Page 25).

R. A. Rose testified that the \$6,580.00 of indebtedness which he asks permission to refund, represents money invested in additions and betterments to his public utility properties. If he issues a \$7,000.00 note or notes and refunds the indebtedness of which mention has been made, he will have available to cover the cost of installing meters, the sum of \$420.00.

R. A. Rose has not furnished the Commission with any detailed information showing the purposes for which the \$3,000.00 which he intends to secure through the issue of a note or notes, will be expended. The order will provide that the moneys secured through the issue of such note or notes may be used only for purposes indicated by the Commission in a supplemental order or orders.

R. A. Rose has not yet filed with the Commission a copy of his proposed mortgage or deed of trust securing the payment of the \$10,000.00 note or notes.

The authority herein granted will not become effective until applicant has filed with the Commission a copy of his proposed mortgage or deed of trust and the Railroad Commission, by supplemental order, has authorized its execution.

O R D E R

R. A. Rose, doing business under the name of the FAIR OAKS ELECTRIC COMPANY, having applied to the Railroad Commission for permission to issue a note or notes and to execute a mortgage or deed of trust, a public hearing having been held, and it appearing to the Railroad Commission 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 expenditures herein authorized are not in whole or in part reasonably chargeable to operating expenses or to income;

IT IS HEREBY ORDERED that R. A. Rose be, and he is hereby, authorized to issue at not less than face value, his promissory note or notes in the principal amount of \$10,000.00, payable on or before 10 years after the date of this decision.

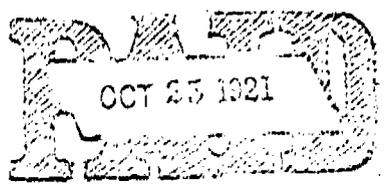
The authority herein granted is subject to further conditions as follows;—

- (1) . . . If R. A. Rose issues a note or notes for a term of less than 10 years after the date of this decision, he may renew such note or notes from time to time, provided that the term of the original note or notes and the terms of all renewals thereof do not exceed a period of 10 years from the date of this decision.
- (2) . . . The note or notes herein authorized shall bear interest at the rate of not exceeding 7% per annum.
- (3) . . . The authority herein granted will not become effective until R. A. Rose has filed with the Railroad Commission a copy of his proposed mortgage or deed of trust and the Railroad Commission has, by supplemental order, authorized its execution.

- (4) . . . R. A. Rose may use \$7,000.00 obtained through the issue of the note or notes herein authorized, to refund the indebtedness and pay the cost of the additions and betterments to which reference is made in the Opinion which precedes this order.
- (5) . . . The remaining \$3,000.00 which R. A. Rose may obtain through the issue of the note or notes herein authorized shall be expended only for such purposes as the Railroad Commission may permit by supplemental order or orders.
- (6) . . . Applicant shall keep such record of the issue of the note or notes herein authorized and of the disposition of the proceeds as will enable him 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.
- (7) . . . The authority herein granted shall not become effective until applicant has paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which fee is \$25.00.

Dated at San Francisco, California, this 21st day of October, 1921.

Railroad Commission State of California



H. S. Howard

Wesley H. Jones

J. J. [unclear]

 Commissioners.