

CONFIDENTIAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
SAN JOSE WATER WORKS,)
a corporation, for an order author-)
izing applicant to issue and sell)
\$187,000.00 in principal amount of)
bonds issued and sold by its prede-)
cessor corporation and assumed by)
applicant and subsequently purchased)
by applicant as an investment.)

Application No. 19357

McCutchen, Olney, Mannon & Greene, for applicant.

BY THE COMMISSION:

ORDER

San Jose Water Works asks permission to issue and sell, at not less than 97 per cent of their face value and accrued interest, \$167,000.00 of first mortgage 5 per cent bonds due July 1, 1951 and \$20,000.00 of first mortgage 5 per cent bonds due January 1, 1953. The bonds which applicant asks permission to issue were heretofore issued by applicant's predecessor under the authority granted by the Commission in Decision No. 16954, dated June 17, 1926, and in Decision No. 19645, dated April 20, 1928. During 1932 and 1933 applicant had on hand some surplus cash and concluded to invest such cash in its outstanding bonds. It now proposes to re-sell the bonds and thus reimburse its treasury and provide itself with funds to finance construction expenditures and increase its working capital.

The Commission has considered applicant's request and is of the opinion that there is no necessity for a hearing in this matter, that the money, property or labor to be procured or paid for by said issue of the bonds is reasonably required for the

purposes herein stated and that the expenditures for such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income, and that this application should be granted as provided in this order, therefore,

IT IS HEREBY ORDERED, that San Jose Water Works be, and it is hereby, authorized to issue and sell, on or before December 31, 1934, at not less than 97 per cent of their face value and accrued interest, the aforesaid \$187,000.00 of first mortgage 5 per cent bonds for the purpose of reimbursing its treasury and providing itself with funds to finance construction expenditures and for working capital.

IT IS HEREBY FURTHER ORDERED, that San Jose Water Works shall keep such record of the issue, sale and delivery of the bonds 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, insofar as applicable, is made a part of this order.

DATED at San Francisco, California, this 19th day of March, 1934.

D. C. Leary
Leon Wherry

M. J. P.

M. B. Hansen

William H. ...

Commissioners.