

Decision No. 29952

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 authoriz-) Application No. 21005
ing it to issue and sell first mort-)
gage bonds.)

BY THE COMMISSION:

ORIGINAL

SECOND SUPPLEMENTAL ORDER

San Jose Water Works reports that it has on deposit with Bank of America National Trust and Savings Association, trustee under its Mortgage of Chattels and Trust Indenture of December 1, 1936, the sum of \$73,000. Of such sum \$71,540. was obtained from the sale of \$73,000. of first mortgage 3-3/4% bonds, Series A, authorized by Decision No. 29552, dated February 19, 1937, as amended, and \$1,460. represents cash from other sources.

Under the order of the Commission in Decision No. 29552, as amended, the proceeds from the sale of said \$73,000. of bonds can be used to finance in part the cost of additions and betterments to the company's plants and properties during 1937. Under the terms of the company's Mortgage of Chattels and Trust Indenture, however, it is provided that said bonds may be issued for the purpose of financing in part the cost of new or additional plants or property and/or permanent improvements, extensions or additions to or about the plants or property constructed or acquired on or subsequent to December 1, 1936.

In a supplemental application filed in the above entitled matter on July 31, 1937, the company requests the Commission to modify its former orders so as to permit it to use the bond proceeds now on deposit to finance in part the cost of additions and betterments made subsequent to December 1, 1936, instead of January 1, 1937 as is now provided. In this connection it reports its net capital


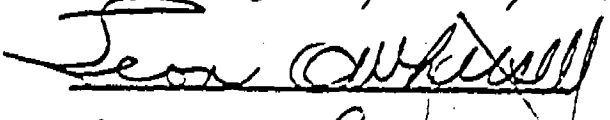

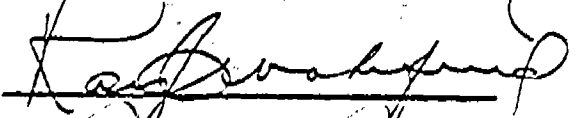
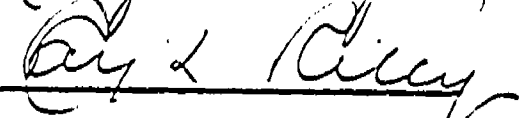
expenditures for the period from December 1, 1936 to June 30, 1937 at \$62,500.58 and it estimates its net capital requirements for the last six months of 1937 at \$60,710., all as shown in some detail in statements filed with the Commission on August 11, 1937. The expenditures, it appears, have not been paid or provided through the issue of bonds or stock.

The Commission has considered the supplemental application and is of the opinion that the request of the company should be granted, therefore,

IT IS HEREBY ORDERED that the order in Decision No. 29552, dated February 19, 1937, as amended, be and it hereby is amended so as to permit San Jose Water Works to use the proceeds from the sale of \$73,000. of the bonds authorized by said decision, as amended, to finance in part the net cost of additions and betterments to its plants and properties made during the period from December 1, 1936 to June 30, 1937, and estimated to be made during the last six months of 1937.

IT IS HEREBY FURTHER ORDERED that the order in Decision No. 29552, dated February 19, 1937, as amended, shall remain in full force and effect except as amended by this Second Supplemental Order.

DATED at San Francisco, California, this 16th day of August, 1937.






Commissioners.