

Decision No. 36533

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

.....

In the Matter of the Application of
 BLYTHE GAS CO., LTD.
 for a Supplemental Order Approving
 and Authorizing Execution of a Note
 and Trust Deed.

Application No. 22976
(Second Supplemental)

BY THE COMMISSION:

SECOND SUPPLEMENTAL OPINION

Blythe Gas Co., Ltd. asks permission to issue to Citizens National Trust and Savings Bank of Riverside its five per cent installment note for the principal sum of \$18,500 and to execute to said bank to secure the payment of said note, plus an additional indebtedness of \$1,500 if hereafter authorized by the Commission, a deed of trust which shall be a lien on applicant's properties.

By Decision No. 33736, dated December 17, 1940, in Application No. 22976, the Commission authorized Blythe Gas Co., Ltd. to issue to Citizens National Trust and Savings Bank of Riverside its note for the principal sum of \$11,700 and to assume liabilities in the aggregate sum of \$1,249.77. Applicant reports that it has paid the \$1,249.77 and that the balance now due on the \$11,700 note is \$8,500.

Applicant owns and operates a gas distribution system in the City of Blythe and vicinity. By Decision No. 35595,

dated July 14, 1942, in Application No. 24701, the Commission granted applicant a certificate to construct a plant or system or to extend its plant or system, for the generation and supply of gas as a public utility within the unincorporated area adjacent to the City of Blythe, California, not exceeding a distance of twenty (20) miles from said city.

Applicant's operating revenues increased from \$18,756.83 in 1941 to \$32,878.37 in 1942. For 1941 it had a net operating income of \$2,892.07 and for 1942 \$4,776.85.

As of May 31, 1943 applicant reports assets and liabilities as follows:

ASSETS

Fixed Capital in Service	\$52,338.35
Utility Plant Acquisition Adjustment	9,401.93
Cash	2,254.24
Special Deposits	240.00
Marketable Securities-War Bond	74.00
Accounts Receivable	3,075.37
Material and Supplies	2,042.72
Life Insurance Policy	<u>356.33</u>
Total Assets	<u>\$69,782.94</u>

LIABILITIES

Common Stock	\$19,750.00
Preferred Stock	3,075.00
Long Term Debt	8,500.00
Notes Payable	8,060.80
Accounts and Vouchers Payable	6,668.80
Consumers' Deposits	1,377.50
Advances for Construction	2,665.00
Reserve for Depreciation	7,025.18
Reserve for Taxes	901.50
Reserve for Uncollectible Accounts	219.06
Paid in Surplus	6,045.48
Surplus	<u>5,494.62</u>
Total Liabilities	<u>\$69,782.94</u>

Applicant has found it necessary to enlarge its gas distribution system. In Exhibit A it reports that from March

31, 1941 to May 31, 1943 it expended \$12,455.87 for additions to its fixed capital. It further reports that it will be necessary for it to further extend and enlarge its gas distributing system at a cost of \$3,258.50. It has heretofore issued to Citizens National Trust and Savings Bank of Riverside its short term notes in the amount of \$8,000. For the purpose of refunding these short term notes, the balance (\$8,500) due on the note issued under the authority granted by Decision No. 33736, dated December 17, 1940, and for the purpose of obtaining funds to pay in part for additions and betterments, applicant asks permission to issue to Citizens National Trust and Savings Bank of Riverside its five per cent installment note in the sum of \$18,500. The interest will be payable quarterly and the principal in installments of \$1,850 or more a year beginning on July 1, 1944 and continuing up to and including July 1, 1953. The deed of trust which applicant desires to execute will secure the payment of said \$18,500 note and any additional advances made by the bank to applicant, to the extent of \$1,500, if and when needed, and approved by the Railroad Commission. Copies of the proposed note and deed of trust are filed in this proceeding as Exhibit B. We find the same to be in satisfactory form.

SECOND SUPPLEMENTAL ORDER

The Commission having considered the request of Blythe Gas Co., Ltd. for permission to issue a note and execute a deed of trust, and it being of the opinion that this is not a matter on which a hearing is necessary; that the money,

property or labor to be procured or paid for by the issue of said note is reasonably necessary for the purposes herein stated and that the expenditures for said purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income, and that this application should be granted subject to the provisions of this Order, therefore,

IT IS HEREBY ORDERED as follows:

1. Blythe Gas Co., Ltd. may, after the effective date hereof and on or before October 1, 1943, issue to Citizens National Trust and Savings Bank of Riverside its five per cent installment note for the principal sum of not exceeding \$18,500 for the purpose of refunding the indebtedness, to which reference is made in the foregoing Opinion, and paying in part the cost of additions and betterments set forth in its Second Supplemental Application, filed in this proceeding.

2. Blythe Gas Co., Ltd. may, after the effective date hereof and on or before October 1, 1943, execute a deed of trust to Citizens National Trust and Savings Bank of Riverside to secure the payment of the aforesaid note together with an additional advance of not exceeding \$1,500, if and when needed, and authorized by the Railroad Commission, said deed of trust to be in substantially the same form as the deed of trust attached to applicant's Second Supplemental Application as Exhibit B, provided that the authority herein granted to execute a deed of trust is for the purpose of this proceeding only, and is granted only insofar as this Commission has jurisdiction under the terms of the Public Utilities Act, and is not intended as an approval of said deed of trust as to such other legal requirements to which said deed of trust may be subject.

3. The authority herein granted will become effective when Blythe Gas Co., Ltd. has paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which minimum fee is Twenty-five (\$25.00) Dollars.

4. Blythe Gas Co., Ltd. shall file with the Railroad Commission such reports as are required by the Commission's General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

5. Within thirty (30) days after the execution of the deed of trust herein authorized Blythe Gas Co., Ltd. shall file with the Railroad Commission a complete copy of the deed of trust executed under the authority herein granted.

Dated at San Francisco, California, this 10th day of August, 1943.

Frank A. Anderson
H. H. Hall
Justus J. Calver
James D. ...
Commissioners

