

Decision No. 42600

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)

02

CRESCENT CITY GAS COMPANY,
a Corporation,

Application
No. 30109

for authority to sell and issue
its securities and approval of
lease.

O P I N I O N

This is an application by Crescent City Gas Company for an order of the Commission authorizing it to issue 20,948 shares of its capital stock of the aggregate par value of \$20,948.

Crescent City Gas Company is a corporation organized under the laws of the State of California. By Decision No. 40803, dated October 10, 1947, the Commission granted to it a certificate of public convenience and necessity to exercise certain franchise rights granted by the City of Crescent City and the County of Del Norte, and to install, maintain and operate a propane-air gas system in Crescent City and vicinity. Thereafter, applicant undertook the construction of its gas plant and advised the Commission that it commenced its operations on December 9, 1948. It occupies under lease certain real property owned by Crescent City Water Company.

In the present application, Crescent City Gas Company reports its assets and liabilities as of December 31, 1948, as follows:

Assets

Gas plant	\$34,261.27
Cash	(6.79)
Materials and supplies	4,438.76
Prepaid insurance	<u>1,325.66</u>
Total	<u>\$40,018.90</u>

Liabilities

Notes payable	\$ 5,649.81
Accounts payable	15,492.75
Advances from Otto E. Never	<u>18,876.34</u>
Total	<u>\$40,018.90</u>

To date the corporation has issued no stock. It now proposes to deliver 20,946 shares, of the 20,948 shares covered by this application, to Otto E. Never in repayment of the \$18,876.34 advanced by him and referred to in the balance sheet and in consideration of additional advances to be made by him of \$2,070 to be used as working capital. It proposes to issue the remaining two shares covered by the application to J. W. Jackson and Porter E. Vandewark for cash.

In the application the company also asks the Commission to approve the lease it has entered into with Crescent City Water Company. Such approval, however, is authorized by the decision in Application No. 30108, and need not be given in this decision.

O R D E R

The Public Utilities Commission having considered the above entitled matter and being of the opinion that a public hearing thereon is not necessary, that the application should be granted, as herein provided, that the money, property or labor to be procured or paid for through the issue of 20,948 shares of

stock is reasonably required by Crescent City Gas Company for the purposes specified herein and that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

1. Crescent City Gas Company, after the effective date hereof and on or before June 30, 1949, may issue not exceeding 20,948 shares of its capital stock of the aggregate par value of \$20,948, and deliver 20,946 shares thereof to Otto E. Never in payment of advances heretofore made by him of \$18,876.34 as of December 31, 1948, and in consideration for additional advances of \$2,070 to be made by him, and two shares, at par for cash, to J. W. Jackson and Porter E. Vandewark.

2. Crescent City Gas Company shall use the additional cash advances of \$2,070 to be made by Otto E. Never and the proceeds from the issue and sale of the two shares of stock to J. W. Jackson and Porter E. Vandewark for the purpose of maintaining and improving its service.

3. Crescent City Gas Company shall file with the Commission a report, or reports, as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

4. The authority herein granted will become effective twenty (20) days after the date hereof, and after Crescent City Gas Company has filed with the Commission a certified copy of its articles of incorporation.

Dated at San Francisco, California, this 15th day
of March, 1949.

R. Z. Anderson

Justin J. Casper

Leah A. Casper

Harold F. Kule

Commissioners