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Decision No. 12334.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

ORIGINAL

In the Matter of the Application of THE SOUTHERN SIERRAS POWER COMPANY, an electrical corporation, for an order authorizing the issue and sale of $308,600.00 par value, first and refunding mortgage Series "B" gold bonds, the same being additional to the issue of $7,166,000.00 par value of bonds heretofore authorized by the Railroad Commission of California.	Application Number 9136.

P. R. Forguson, for Applicant.

BY THE COMMISSION:

OPINION

THE SOUTHERN SIERRAS POWER COMPANY asks permission to issue and sell, at not less than 85 percent. of face value and accrued interest, $308,600.00 of its first and refunding mortgage Series "B" six percent. bonds due January 1, 1965, for the purpose of financing the cost of extensions, additions and betterments to its plants and properties.

A public hearing on the application was held by Examiner Fankhauser in San Francisco.

The Southern Sierras Power Company is engaged in generating, transmitting and distributing electric energy for power, lighting and other purposes in the counties of Inyo, Kern, San Bernardino, Riverside and Imperial. It reports its assets and liabilities, as of April 30, 1923, as follows:-

ASSETS AND OTHER DEBIT ITEMS:

Fixed Capital		$9,270,855.93
Current Assets:		
Cash	$67,450.86	
Notes Receivable	16,493.84	
Accounts Receivable	173,012.80	
Interest Receivable	100.72	
Marketable Securities	1,158.28	
Materials and Supplies	379,694.19	
Other Accounts	5,343.73	
Total Current Assets		643,254.42
Inter-company accounts		1,644,118.88
Special deposits:		
For Redemption of Bonds	208.41	
For paying Bond Coupons	1,800.00	
Total Special Deposits		2,008.41
Deferred Debits:		
Discount on Bonds	733,244.33	
Discount on Stock	4,995,350.00	
Prepayments	2,756.40	
Total Deferred Debits		5,731,350.73
TOTAL ASSETS AND OTHER DEBIT ITEMS		$17,291,588.37

LIABILITIES AND OTHER CREDIT ITEMS:

Capital Stock-Common		$ 5,000,000.00
Bonded Debt:		
First Mortgage 6's due 1936	2,528,000.00	
First and Refunding 6's due 1965	4,508,000.00	
Coachella Valley Ice and Development Co.6's	300,000.00	
Total Bonded Debt		7,336,000.00
Advances from affiliated companies		500,000.00
Current Liabilities:		
Accounts Payable	103,370.17	
Consumers' Deposits	10,414.57	
Taxes Accrued	68,354.85	
Interest Accrued	157,545.00	
Miscellaneous	1,726.20	
Total Current Liabilities		341,410.79
Intercompany accounts		2,961,040.41
Deferred Credits:		
Consumers' Advances for Construction	131,726.70	
Miscellaneous	1,886.80	
Total Deferred Credits		133,613.50
Reserves:		
Depreciation	571,328.57	
Sinking Fund Reserves	240,653.71	
Other Reserves	72,761.55	
Total Reserves		884,743.83
Corporate Surplus		134,779.84
TOTAL LIABILITIES AND OTHER CREDIT ITEMS		$17,291,588.37

The company reports that subsequent to March 1, 1922 and prior to December 31, 1922, it expended for additions and betterments the sum of $568,071.06, of which $363,075.35 has not been used as a basis for the certification of bonds. It is to finance in part the cost of the additions and betterments that applicant now asks permission to issue and sell $308,600.00 of bonds. It is reported that arrangements have been made to sell the bonds for 85 percent. of their face value. We believe that the company should realize at least 88 percent. of their face value and accrued interest.

O R D E R

THE SOUTHERN SIERRAS POWER COMPANY having applied to the Railroad Commission for permission to issue and sell bonds, a public hearing having been held and the Railroad Commission being of the opinion that the money, property or labor to be procured or paid for is reasonably required for the purpose specified herein and that the expenditures for such purpose are not in whole or in part reasonably chargeable to operating expenses or to income;

IT IS HEREBY ORDERED, that THE SOUTHERN SIERRAS POWER COMPANY be, and it is hereby, authorized to issue and sell at not less than 88 percent. of their face value plus accrued interest, $308,600.00 of its first and refunding mortgage six percent. bonds due January 1, 1965 and to use the proceeds to finance in part the cost of the extensions, additions and betterments referred to in the foregoing opinion and through such financing pay outstanding indebtedness.

The authority herein granted is subject to the following conditions:

1. Applicant 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 in so far as applicable, is made a part of this order.

2. The authority herein granted to issue and sell bonds will become effective when applicant has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is $309.00, and will expire on December 15, 1923.

DATED at San Francisco, California, this 11th day of July, 1923.

C L Seavey
H. W. Brundige
Irving Martin

Commissioners.

RAILROAD COMMISSION
STATE OF CALIFORNIA
JUL 24 1923
By
SECRETARY

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