

Decision No. 13315-

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
THE SOUTHERN SIERRAS POWER COMPANY,
an electrical corporation, for an
order authorizing the issue and sale
of \$1,201,900.00 par value, first
and refunding mortgage series "B"
gold bonds, the same being addition-
al to the issue of \$7,681,700.00 par
value of bonds heretofore authorized
by the Railroad Commission of Cali-
fornia.

ORIGINAL

Application Number 9869

In the Matter of the Application of
THE SOUTHERN SIERRAS POWER COMPANY,
an electrical corporation, for an
order authorizing the issue and sale
of \$633,600.00 par value, first and
refunding mortgage, series "B" gold
bonds.

Application Number 9894

P. R. Ferguson, for Applicant.

BY THE COMMISSION:

OPINION

In Application Number 9869 The Southern Sierras Power Company asks permission to issue and sell \$1,201,900.00 face value of its first and refunding mortgage six percent. series "B" gold bonds for the purpose of financing in part the cost of acquiring the properties of Holton Power Company.

In Application Number 9894 The Southern Sierras Power Company asks permission to issue and sell \$633,600.00 face value of its first and refunding mortgage six percent. series "B" gold bonds for the purpose of financing in part the cost of extensions, additions and betterments to its plants and properties made prior

to December 31, 1923.

A public hearing was held before Examiner Fankhauser, at which time the two applications were consolidated for hearing and decision.

The Southern Sierras Power Company as of December 31, 1923 reports its assets and liabilities as follows:-

A S S E T S

Investment in fixed capital	\$10,059,259.82
Other investments	110.00
Current assets	685,191.73
Inter-company accounts	1,824,640.82
Bond redemption fund	946.49
Special deposits	840.00
Unamortized debt discount and expense....	772,882.84
Prepayment	3,386.09
Miscellaneous deferred debits	120.51
Unamortized stock discount	4,995,350.00

TOTAL ASSETS	<u>\$18,342,728.30</u>
--------------------	------------------------

L I A B I L I T I E S

Capital stock	\$ 5,000,000.00
Funded debt	7,814,500.00
Advances from affiliated companies	500,000.00
Current liabilities	408,878.73
Inter-company accounts	3,143,734.73
Deferred credits	124,837.10
Liabilities offset by deposit	840.00
Depreciation reserve	704,750.06
Other reserves	89,389.19
Appropriated surplus	295,250.61
Unappropriated surplus	260,547.88

TOTAL LIABILITIES...	<u>\$18,342,728.30</u>
----------------------	------------------------

By Decision Number 12550, dated August 27, 1923, the Railroad Commission authorized The Southern Sierras Power Company to issue and sell \$207,100.00 of its first and refunding mortgage bonds to finance in part construction expenditures made prior to May 31, 1923. Application Number 9894 involves the financing of

construction expenditures made subsequent to May 31, 1923 and prior to December 31, 1923. Applicant in its Exhibit "B" reports that it expended for extensions, additions and betterments the sum of \$1,353,913.36. From this amount the company deducts \$177,016.78 representing property displaced and \$431,385.24 representing amounts against which bonds have heretofore been issued, leaving a balance of \$745,511.34 against which it reports no bonds have been issued.

In addition to the expenditures of \$1,353,913.36 the company reports that on December 31, 1923, pursuant to authority granted by the Commission in Decision Number 12947, dated December 22, 1923, it acquired the electrical properties and certain other assets of the Holton Power Company. The value of the electrical properties, as shown in Exhibit "B" attached to Application Number 9869, is reported at \$1,414,000.67.

The amount of bonds which the company asks permission to issue represents eighty-five percent. of the \$745,511.34 and the \$1,414,000.67 appearing in preceding paragraphs.

Applicant asks permission to sell its bonds at not less than eighty-five percent. of face value plus accrued interest. The Commission has given consideration to the testimony in this proceeding as well as to the company's financial statements on file, and is of the opinion that the company should receive not less than eighty-eight percent. of face value plus accrued interest for its bonds.

ORDER

The Southern Sierras Power Company, having applied to the Railroad Commission for permission to issue \$1,835,500.00 of 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 by such issue is reasonably required by applicant and that

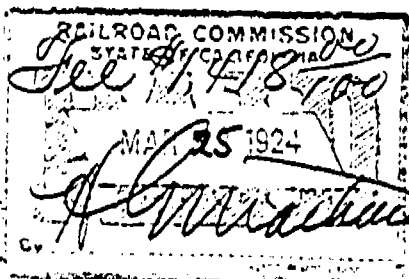
the expenditures herein authorized are not in whole or in part reasonably chargeable to operating expenses or to income and that the above entitled applications should be granted as herein provided, therefore,

IT IS HEREBY ORDERED that The Southern Sierras Power Company be, and it is hereby, authorized to issue and sell at not less than eighty-eight percent. of their face value plus accrued interest \$1,835,500.00 of its first and refunding mortgage six percent. series "B" gold bonds due January 1, 1965 and to use the proceeds, other than accrued interest, to finance in part the cost of the extensions, additions and betterments made prior to December 31, 1923 and the cost of the properties of the Holton Power Company, as described in some detail in these proceedings, and through such financing to pay in part outstanding indebtedness; the accrued interest collected may be used for general corporate purposes.

The authority herein granted is subject to further conditions as follows:-

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 \$1,418.00. Such authority will expire on June 1, 1924.

DATED at San Francisco, California, this ¹⁴24 day of March, 1924.



W. C. Kearney
H. B. Burdette
James Martin