

LM

Decision No. 13490.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
GREAT WESTERN POWER COMPANY OF CALIFORNIA,  
a corporation, to issue and sell  
\$2,000,000.00 of Series "C" first and  
refunding mortgage bonds.

Application Number 9998

ORIGINAL

Guy C. Earl and Chaffee E. Hall.  
by Chaffee E. Hall, for Applicant,

BY THE COMMISSION:

OPINION

In this application, Great Western Power Company of California asks permission to issue and sell, at not less than ninety-five and one half percent, of face value plus accrued interest, \$2,000,000. of its Series "C" first and refunding mortgage six percent. bonds due February 1, 1952, and to use the proceeds to finance the cost of extensions, additions and betterments to its plants and properties.

As of December 31, 1923 the company reports \$34,524,084.21 of stock outstanding, consisting of \$27,500,000.00 of common stock and \$7,024,084.21 of seven percent. cumulative preferred stock. In addition, capital stock subscriptions of \$628,000.00 are reported. Bonded debt outstanding in the hands of the public as of the same date is reported as \$40,712,550.00. This includes \$5,968,000.00 of Series "A" six percent. first and refunding bonds due March 1, 1949, \$6,107,100 of Series "B" seven percent. first and refunding bonds due August 1, 1950 and \$3,983,000.00 of Series "C" six percent. first and refunding bonds due February 1, 1952; a total of \$15,058,100.00 of first and

refunding mortgage bonds. The remaining bonds outstanding consist of \$20,331,000.00 of Great Western Power Company first mortgage five per cent. bonds due July 1, 1946; \$2,489,000.00 of applicant's general lien eight percent. bonds due February 1, 1936; \$1,175,000.00 of City Electric Company first mortgage five percent. bonds due July 1, 1937; \$1,542,450.00 of Consolidated Electric Company general mortgage five percent. bonds due June 1, 1955; \$49,000.00 of Central Oakland Light and Power Company first mortgage five percent. bonds due May 1, 1938 and \$68,000.00 of Consumers Light and Power Company general mortgage six percent. bonds due April 15, 1933. The company also reports outstanding \$4,177,600.00 of six percent. debentures due November 1, 1925. In addition to the bonds outstanding in the hands of the public the company reports \$8,167,350.00 of bonds pledged as collateral, \$80,500.00 held in sinking funds and \$1,177,500.00 held in the treasury.

The company reports its revenues and expenses for the years ending December 31st as follows:-

<u>ITEM</u>	<u>1922</u>	<u>1923</u>
Operating revenues . . . . .	\$7,201,944.07	\$6,887,622.74
Operating expenses . . . . .	<u>3,133,514.22</u>	<u>2,581,011.25</u>
Net operating revenues	4,068,429.85	4,306,611.49
Nonoperating income . . . . .	<u>481,385.35</u>	<u>52,331.06</u>
Gross corporate income available for interest, etc. . .	<u>4,549,815.20</u>	<u>4,358,942.55</u>
<b><u>DEDUCT:</u></b>		
Interest on funded debt	2,499,539.24	2,497,943.06
Other interest . . . . .	31,244.78	17,132.90
Uncollectible bills . . . . .	12,043.65	7,495.96
Amortization of debt discount	142,792.73	118,972.68
Rents . . . . .	269,309.15	248,193.75
Other deductions . . . . .	<u>34,696.30</u>	<u>26,560.32</u>
Total deductions.....	<u>2,989,625.85</u>	<u>2,916,298.67</u>
PROFIT FOR YEAR.....	<u>\$1,560,189.35</u>	<u>\$1,442,643.88</u>

The application indicates that the expenditures which it is proposed to finance in part through the issue of the \$2,000,000. of bonds now applied for, were incurred subsequent to January 1, 1923 and prior to February 29, 1924, or are to be incurred during the period

from March 1, 1924 to December 31, 1924. The company reports that during the fourteen months ending February 29, 1924 it expended \$3,234,940.76 for capital purposes. In addition it reports that it will need \$729,250.00 to complete construction work in progress on February 29, 1924 and \$1,338,727.00 to take care of estimated capital expenditures during the ten months period from March to December, both inclusive. The total expenditures aggregate \$5,302,917.76 and are shown in some detail in Exhibits "A", "B" and "C" filed with the application. From the \$5,302,917.76 applicant deducts \$2,164,119.82 which is reported to represent proceeds received from the sale of stock and bonds heretofore authorized by the Commission, and \$617,000. which, it is estimated, will be received during 1923 from the sales of stock heretofore authorized. Deducting the \$2,164,119.82 and \$617,000.00 from the \$5,302,917.76 leaves a balance of \$2,521,797.94 required to completely finance the company's actual or estimated construction expenditures to December 31, 1924.

The expenditures made between January 1, 1923 and February 29, 1924 include \$320,773.06 for production capital, \$766,029.96 for transmission capital, \$1,452,381.21 for distribution capital, \$15,565.28 for general capital and \$680,191.25 on account of the installation of a third unit of 22,000 K.V.A. at Caribou, making a total of \$3,234,940.76. The construction work in progress on February 29, 1924 amounting to \$729,250.00 includes \$201,503.00 for the Caribou plant, \$77,566.00 on the Big Bend development for necessary transformers and switches for connecting the 165 K.V. transmission system to the 100 K.V. transmission system and transformers for Big Bend and Brighton, \$284,219.00 for the Golden Gate substation, \$86,824.00 for increasing the storage capacity of the Butt Valley Dam, \$54,544.00 for other production capital and \$24,594.00 for distribution capital. The estimated expenditures of \$1,338,727.00 for the last ten months of 1924 include \$20,000.00 for production capital, \$110,913.00 for transmission capital, and \$1,207,814.

for distribution capital. The latter amount includes \$316,314.00 for the San Francisco Division, \$492,000.00 for the Oakland Division, \$225,000.00 for the Northwestern Division, \$161,000.00 for the Sacramento Division, and \$9,000.00 for the Big Meadows Division, and \$4,500.00 for general equipment.

### O R D E R

Great Western Power Company of California having applied to the Railroad Commission for permission to issue and sell \$2,000,000. of its Series "C" first and refunding mortgage bonds, a public hearing having been held before Examiner Fankhauser, and the Railroad Commission being of the opinion that the money, property or labor to be procured or paid for through the issue and sale of such bonds 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,

IT IS HEREBY ORDERED that Great Western Power Company of California be, and it is hereby, authorized to issue and sell at not less than ninety-five and one half percent. of face value plus accrued interest, \$2,000,000.00 of its Series "C" first and refunding mortgage bonds.

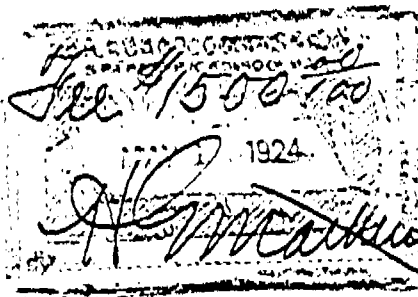
The authority herein granted is subject to further conditions as follows:-

1. Applicant may use the proceeds received from the sale of the bonds herein authorized, other than accrued interest, to reimburse its treasury and to finance in part the cost of extensions, additions and betterments to which reference is made in the foregoing opinion and which are described in Exhibits "A",

"B" and "C" filed with the application. The accrued interest may be used for general corporate purposes.

2. 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.
3. The authority herein granted will become effective when applicant has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is \$1,500.00. No bonds may be issued, sold or delivered subsequent to October 30, 1924.

DATED at San Francisco, California, this 30<sup>th</sup> day of April, 1924.



Cl. Seavey  
H. B. ...  
Irving Martin  
Egerton Shore

Commissioners.