

IRA

Decision No. 14979.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
GREAT WESTERN POWER COMPANY OF CALI-)
FORNIA for authority to issue and sell)
\$7,000,000.00 face amount of Series "D")
first and refunding mortgage bonds.)

Application No. 11111

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

DECOTO, Commissioner:

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O P I N I O N

In this application Great Western Power Company of California asks permission to issue and sell, at 94 percent of face value plus accrued interest, \$7,000,000.00 of its Series "D" first and refunding mortgage 5-1/2 percent bonds due February 1, 1955 and to use the proceeds to refund outstanding seven percent first and refunding bonds.

As of December 31, 1924, applicant reported its outstanding bonded indebtedness as follows:-

First and refunding bonds:

| | | |
|------------------------------|-------------------|---------------|
| Series "A" 6's due 1949..... | \$6,000,000. | |
| Series "B" 7's due 1950..... | 7,535,300. | |
| Series "C" 6's due 1952..... | <u>6,000,000.</u> | \$19,535,300. |

| | |
|--|-------------------|
| Great Western Power 5's due 1946..... | 20,135,000. |
| City Electric 5's due 1937 | 1,161,000. |
| Consolidated Electric 5's due 1955..... | 1,540,950. |
| Central Oakland Light & Power 5's due 1939 | 48,000. |
| Consumer's Light & Power 6's due 1933..... | 68,000. |
| Debentures, 6's due 1925 | <u>4,177,600.</u> |

Total.....\$46,665,850.

Of the \$7,535,300.00 of Series "B" first and refunding mortgage bonds, \$212,000.00 are held by Western Power Corporation, \$112,700.00 are alive in the sinking fund and \$7,210,600. are outstanding in the hands of the public. It appears that applicant proposes to purchase the \$212,000. of bonds from Western Power Corporation for \$218,300., the price paid by Western Power Corporation, and to call the remaining \$7,323,300. for redemption on August 1, 1925 at 110, a price requiring the expenditure of \$8,055,630. Adding the \$8,055,630. to the \$218,300. results in a total of \$8,273,930. which represents the amount of cash necessary to redeem the outstanding \$7,535,300. of Series "B" bonds.

The company has entered into agreements for the sale of \$7,000,000 of the Series "D" bonds at 94, netting \$6,580,000. Deducting the \$6,580,000. from the total cash requirement of \$8,273,930. leaves a balance of \$1,693,930. It is of record that the \$1,693,930. will be withdrawn from the company's treasury and that such moneys were not obtained from the sale of stock or bonds. It was suggested that at a later date, the company may file an application for permission to issue stock or bonds to reimburse its treasury on account of the withdrawal of \$1,693,930. Whether such reimbursements should be allowed will be determined at the time an application is filed for permission to issue stock and bonds for such purpose.

I herewith submit the following form of order:-

ORDER

Great Western Power Company of California having applied to the Railroad Commission for permission to issue and sell \$7,000,000 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 through such issue and sale of bonds, 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 expense or to income,

IT IS HEREBY ORDERED that Great Western Power Company of California be and it hereby is, authorized to issue and sell on or before October 1, 1925 at not less than 94 percent of their face value plus accrued interest, \$7,000,000 of its Series "D" first and refunding mortgage 5-1/2 percent bonds due February 1, 1955, and to use the proceeds other than accrued interest to refund in part the outstanding \$7,535,300.00 of Series "B" first and refunding mortgage seven percent bonds to which reference is made in the foregoing opinion. The accrued interest 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 shall become effective upon the date hereof.

The foregoing Opinion and Order are hereby approved and ordered filed as the Opinion and Order of the Railroad Commission of the State of California.

DATED at San Francisco, California, this 27th day of May 1925.

H. B. Bunting
C. S. Sweeney
Garmon Shore
George D. Squires
Emmanuel
Commissioners.