

IRA

Decision No. 15140.

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
THE CALIFORNIA OREGON POWER COMPANY,)
a corporation, for an order of the)
Railroad Commission of the State of)
California authorizing the issue and)
sale of \$600,000.00 of its First and)
Refunding Mortgage Sinking Fund Five)
and One-half percent Gold Bonds,)
Series "C".)

Application No. 11,235.

Dunne, Brobeck, Phleger & Harrison,
by Herman Phleger, for applicant.

BY THE COMMISSION:

O P I N I O N

In this application The California Oregon Power Company asks the Railroad Commission to make an order authorizing it to issue and sell at not less than 96 percent of face value and accrued interest, \$600,000. of its first and refunding mortgage Series "C" bonds to complete the construction of its hydro-electric plant, known as "Copco No. 2" and to reimburse its treasury.

Applicant has been engaged in building a hydro-electric plant known as "Copco No. 2", on the Klamath River, about one and one quarter miles below the original "Copco No. 1" plant. As reported in a former application, No. 10,057, "Copco No. 2" will, when completed, have an installed generating capacity of 30,000 K.V.A. and will be operated under a static

head of 156 feet. It was reported that the hydraulic structures consist of a small concrete diversion dam across the Klamath River, two concrete lined tunnels, one 2,470 feet long and one 1,275 feet long, 1,200 feet of wood-stave pipe 15 feet in diameter, and two riveted steel pressure lines, each 736 feet long and 12-1/2 feet in diameter. The power plant building will house two vertical hydro-electrical units, each of 15,000 K.V.A. capacity, with the necessary auxiliary equipment. From the plant to Delta, California, a distance of about 82 miles, applicant has constructed or is constructing a high voltage transmission line.

In the former application the company estimated the cost of the plant and transmission line at \$3,690,095., segregated as follows:-

A.	Hydro-electric plant	\$2,915,000.
	Lands	\$10,000.
	Camps	25,000.
	Construction plant.	150,000.
	Dam and intake.	229,500.
	Conduits.	740,000.
	Surge chamber and penstock.	300,000.
	Power house	185,000.
	Hydraulic equipment	165,000.
	Electrical equipment.	422,500.
	Undistributed items, engineering, superintendence, contingencies and overhead	<u>688,000.</u>
B.	Transmission line	755,095.
	Rights of Way and survey.	143,265.
	Transmission poles and fixtures	172,496.
	Transmission overhead system	310,225.
	Transmission switches	6,997.
	Communication system.	24,857.
	Undistributed items	116,255.
	Maintaining service during construction	<u>1,000.</u>
	Total.....	<u>\$3,690,095.</u>

By Decision No. 13,627, dated May 31, 1924, in Application No. 10,057, the Commission authorized applicant to issue and sell \$2,500,000. of first and refunding mortgage Series "B" bonds, \$1,500,000. of debentures and \$1,000,000. of preferred stock to finance the cost of the power plant and transmission line and of additions and betterments during 1924. It is now reported that the original estimate of cost has been increased, due to additional items not included, changes in plans and other causes, and that to take care of the increased cost of "Copco No. 2", and the general construction expenses of the company during 1925 it has been found necessary to issue additional \$600,000. of bonds.

The bonds proposed to be issued are part of an authorized issue of \$10,000,000. of bonds, issuable in series and secured by a first and refunding mortgage, dated as of February 1, 1921, to Mercantile Trust Company (San Francisco) Trustee. Heretofore the Commission has authorized the issue of applicant's first and refunding mortgage bonds as follows:-

Series "A" 7-1/2 percent bonds due 1941 . . .	\$2,000,000.
Series "B" 6 percent bonds due 1942	4,500,000.
Series "C" 5-1/2 percent bonds due 1955 . . .	<u>2,000,000.</u>
Total	<u>\$8,500,000.</u>

The Series "C" bonds to be issued are dated February 1, 1921, are due February 1, 1955 and are callable on any interest payment date at a premium of one tenth of one percent for each year, or fraction thereof, of their unexpired term.

Applicant has made arrangements to sell the \$600,000. of bonds, subject to the approval of the Commission, at 96 percent of face value plus accrued interest.

O R D E R

The California Oregon Power Company having applied to the Railroad Commission for permission to issue and sell \$600,000. of 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 such issue and sale is reasonably required for the purposes specified herein and that the expenditures for such purposes are not in whole or in part reasonably chargeable to operating expenses or to income,

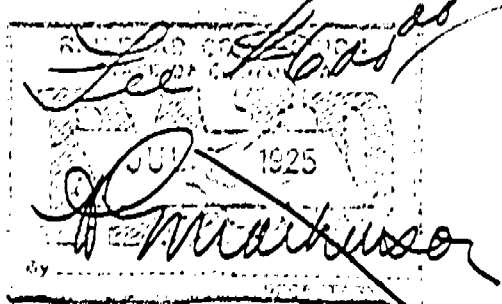
IT IS HEREBY ORDERED that The California Oregon Power Company be, and it hereby is, authorized to issue and sell at not less than 96 percent of their face value and accrued interest, \$600,000. of its first and refunding mortgage Series "C" five and one half percent bonds and use the proceeds other than the accrued interest for the purpose of reimbursing its treasury and of financing in part the cost of the construction work to which reference is made in this application and the evidence submitted in connection therewith, provided that only such expenditures as are properly chargeable to fixed capital accounts may be financed through the issue and sale of the bonds. 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 stock 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 will become effective when applicant has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is \$600. Under such authority no bonds may be issued, sold or delivered after September 30, 1925.

DATED at San Francisco, California, this 3rd day of July, 1925.



H. B. Brundage

George D. Squires
Emm. Decot

Commissioners.