

ORIGINAL

IRA

Decision No. 15544

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
GREAT WESTERN POWER COMPANY OF)
CALIFORNIA)

for authority to issue and sell)
\$1,000,000. face amount of Series)
"D" first and refunding mortgage)
bonds and \$4,000,000. face amount)
of five year five and one half)
percent notes.)

Application No. 11759

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

DECOTO, Commissioner:

O P I N I O N

In this proceeding Great Western Power Company of California asks permission to issue and sell \$1,000,000. of its Series "D" first and refunding mortgage bonds at not less than 95 percent of face value, and \$4,000,000. of unsecured notes at not less than 95.75 percent of face value. The company also asks permission to use the proceeds to be obtained from the sale of the bonds and notes, together with the \$1,387,500. heretofore obtained from the sale at 92.5 of the \$1,500,000. of Series "D" bonds authorized by Decision No. 14541, to reimburse its treasury on account of moneys expended in re-acquiring the company's Series "B" bonds and to provide for the payment at

maturity on November 1, 1925 of the \$4,177,600. of the ten year six percent debentures now outstanding.

As of March 1, 1919, applicant executed its first and refunding mortgage. The mortgage is of the "open-end" type. The bonds secured thereby are to be issued in series of such date, maturity, not later than March 1, 1979, interest rate, redemption and conversion features and of such other provisions as may be determined at the time of issue. Heretofore the company issued \$6,000,000. of Series "A" six percent bonds due 1949, \$8,500,000. of Series "B" seven percent bonds due 1950, \$6,000,000. of Series "C" six percent bonds due 1952 and \$8,500,000. of Series "D" five and one half percent bonds due 1955.

The company reports that prior to January 1, 1925, it re-acquired \$964,700. of the Series "B" bonds at a cost of \$1,025,556.75 and on August 1, 1925, it redeemed the remaining \$7,535,300. at a cost of \$8,273,940. the total cost of re-acquiring the \$8,500,000. of Series "B" bonds being \$9,299,496.75. Of this amount it is said that \$6,978,900. was provided by the sale of bonds heretofore authorized by the Commission, leaving expenditures of \$2,320,596.75 which applicant alleges have not been paid or provided through the issue of stock, bonds or other securities but were made with moneys in the treasury received from other sources.

In addition to these expenditures, it appears that applicant will be required to expend \$4,177,600. in paying at maturity on November 1, 1925, the six percent debentures now outstanding. Adding the \$4,177,600. to the \$2,320,596.75 results in a total of \$6,498,196.75.

To provide in part this amount applicant now asks permission to issue and sell the \$1,000,000. of Series "D" bonds and the \$4,000,000. of notes. The bonds are identical to the Series "D" bonds now outstanding, are dated February 1, 1925, bear interest at 5-1/2 percent per annum, mature February 1, 1955, and are callable at a premium of one eighth of one percent for each year of the unexpired term.

The notes are a new issue. They will be unsecured, will be dated November 2, 1925, bear interest at 5-1/2 percent per annum, mature November 2, 1930 and be callable at a premium of one fourth of one percent for each year of the unexpired term.

The record shows that applicant has made arrangements to sell the \$1,000,000. of bonds at 95 and the \$4,000,000. of notes at 95.75, or for a total of \$4,780,000. In addition, it now has on hand \$1,387,500. which it obtained from the sale, at 92-1/2, of the \$1,500,000. of Series "D" bonds authorized by Decision No. 14541, dated February 5, 1925, in Application No. 10786. The total proceeds on hand and to be received thus amount to \$6,167,500. Deducting the \$4,177,600. needed to retire the debentures leaves a balance of \$1,989,900. available for reimbursement. In this connection, James B. Black, applicant's vice-president, and general manager, testified that after reimbursement the proceeds would be used for construction purposes. The construction program of the company has been outlined in former proceedings.

I herewith submit the following form of order:-

O R D E R

Great Western Power Company of California, having applied to the Railroad Commission for permission to issue bonds

and notes, 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 is reasonably required by applicant for the purposes specified herein and that the expenditures 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 is hereby, authorized to issue and sell at not less than 95 percent of face value plus accrued interest, \$1,000,000. of its Series "D" first and refunding bonds, and at not less than 95.75 percent of face value plus accrued interest, \$4,000,000. of five year five and one half percent unsecured notes.

IT IS HEREBY FURTHER ORDERED that Great Western Power Company of California be, and it is hereby, authorized to use the proceeds, other than accrued interest, to be received through the issue and sale of the bonds and notes herein authorized, together with the proceeds received from the sale of the \$1,500,000. of Series "D" bonds authorized to be issued by Decision No. 14541 dated February 5, 1925, to pay at maturity the \$4,177,500. of debentures and to reimburse its treasury on account of moneys expended in retiring its Series "B" first and refunding mortgage bonds; and Decision No. 14541 dated February 5, 1925 be, and it is hereby, modified so as to permit Great Western Power Company of California to use the proceeds from the sale of the Series "D" bonds authorized therein for the purposes mentioned. The accrued interest may be used for general corporate purposes.

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

1. All proceeds used to reimburse applicant's treasury on account of moneys expended to retire Series "B" bonds, shall be used to finance in part construction expenditures.
2. Applicant shall keep such record of the issue, sale and delivery of the bonds and notes herein authorized to be issued 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 to issue bonds and notes will become effective when applicant has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is \$1,082.50.
4. Under the authority herein granted no bonds or notes may be issued after December 31, 1925.

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 21st day of October, 1925.

H. B. Brandige

O. Seavey

George D. Squires

James D. [Signature]

Leon [Signature]

FREE PAID ON ORIGINAL APPLICATION

No. 10005 Decision No. 10005
 Dated 10/21/25 Day of October 1925

[Signature]

Secretary, Railroad Commission,
 State of California.

Commissioners.