Decision No. <u>17900</u>

ORIGINAL

Application No. 13210

Application No. 13224

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BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of THE SOUTHERN SIERRAS POWER COMPANY, a corporation, for an order or orders of the Railroad Commission of the State of California, authorizing and approving the redemption and payment of the First Mortgage Bonds of said Company, and tho use of the First and Refunding Mortgage Bonds now held and reserved by the trustees under the provisions of Section Six of the First and Refunding Mortgage of said company for the purpose of refunding said First Mortgage Bonds.

In the Matter of the Application of THE SCUTHERN SIERRAS POWER COMPANY, a corporation, for an order of the Railroad Commission of the State of California authorizing the redemption and payment of \$300,000.00 aggregate principal amount of the First Mortgage 6% Gold Bonds of the Coachella Valley Ice & Electric Company, the payment of which was assumed by The Southern Sierras Power Company, and for an order authorizing First and Refunding Mortgage Bonds of The Southern Sierras Power Company to be certified and issued in lieu of and in exchange for said Coachella Valley Ice & Electric Company bonds.

BY THE COMMISSION:

FIRST SUPPLEMENTAL ORDER

In the original petition in Application No. 13224, filed on October 5, 1926, The Southern Siorras Power Company asked permission to issue its first and refunding mortgage six percent bonds due 1965, for the purpose of redeeming the outstanding \$300,000.00 of underlying Coachella Valley Ice and Electric Company first mortgage serial six percent bonds.

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In passing on the request the Commission, in the opinion in Decision No. 17488, dated October 16, 1926, recited:-

"No first and refunding bonds are reserved, under the trust indenture, to retire the bonds issued by Coachella Valley Ice and Electric Company. It is the opinion of counsel that applicant, under its first and refunding mortgage, is entitled to issue bonds equal in face amount only up to eighty-five percent of the face value of the bonds of Coachella Valley Ice and Electric Company, or in the aggregate face amount of \$255,000-00. It appears, however, that these bonds also are held by The Nevada California Electric Comporation and that that company has agreed to surrender them at eighty-five percent of their face value so that no additional indebtedness will be created through the refunding of these underlying bonds."

The Commission's decision accordingly authorized the issue and sale at not less than par, of not exceeding \$255,000.00 of first and refunding mortgage bonds to refund the outstanding \$300,000.00 of Coachella Valley Ice and Electric Company bonds.

It is now reported, however, that it was the intention and desire of The Nevada California Electric Corporation to surrender the Coachella Valley Ice and Electric Company bonds at par, instead of at eighty-five, and to accept in exchange \$255,000.00 of the bonds of The Southern Sierras Power Company and \$45,000.00 in cash. The Commission accordingly is asked to make a supplemental order in these proceedings so as to permit the refunding of these bonds on this basis.

The Commission has given consideration to applicant's request and believes it should be granted, therefore;

IT IS HEREBY ORDERED that Paragraph "4" of the order in Decision No. 17488, dated October 16, 1926, reading.

"4- The Southern Sierras Power Company is hereby authorized to issue and sell at not less than par, not exceeding \$255,000.00 of first and refunding mortgage bonds to refund the outstanding \$300,000. of Coachella Valley Ice and Electric Company bonds."

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be, and the same is hereby mmended so as to read--

"4. The Southern Sierras Power Company is hereby authorized to issue and sell at not less than par, not exceeding \$255,000.00 of first and refunding mortgage bonds to refund the outstanding \$300,000.00 of Coachella Valley Ice and Electric Company bonds, at par, and to pay the difference of \$45,000.00 with cash derived otherwise than through the issue and sale of bonds."

IT IS HEREBY FURTHER ORDERED that the order in Decision No. 17488, dated October 16, 1926, shall remain in full force and effect, except as modified by this First Supplemental Order.

of January, 1927.

DATED at San Francisco, California, this 1/2- day

Commissioners.

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