

LEM

Decision No. 19541.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
GREAT WESTERN POWER COMPANY OF CAL- )  
IFORNIA to purchase all of Class "B")  
preferred stock and common stock of )  
Feather River Power Company now or )  
hereafter to be issued. )

**ORIGINAL**

Application No. 14531

W. H. Spaulding, for applicant.

BY THE COMMISSION:

O P I N I O N

Great Western Power Company of California asks permission to purchase from the Western Power Corporation all the common stock and all the Class "B" seven percent preferred stock of Feather River Power Company now issued or to be issued for the sum of \$2,360,000. payable on or before two years from March 21, 1928. A copy of the agreement setting forth the terms and conditions under which the applicant intends to acquire the stock is filed in this proceeding as Exhibit "A".

The Feather River Power Company is engaged in the construction of a hydroelectric power project on the North Fork of the Feather River in Plumas County, commonly referred to as the Bucks Creek Project. The company has heretofore been authorized by the Commission to issue \$5,500,000.00 of bonds, \$1,000,000.00 of Class "A" seven percent preferred stock, \$1,153,900.00 of Class "B" preferred stock, and \$1,000,000.00 of common stock. In response to a supplemental petition filed in Application No. 14287 the Commission is considering the authorization of the issue of \$298,500.00 of

additional Class "B" stock.

The power plant and project of the Feather River Power Company is being constructed under a contract by R. C. Storrie & Co. under the terms of which the Feather River Power Company is obligated to pay the contractor \$7,691,889.00 and in addition \$268,583.00 on account of interest during construction. The evidence in this proceeding, as well as the evidence in Application No. 14237, shows that the actual cost of constructing the plant will exceed the contract price. In exhibit one the cost to the contractor to complete the plant to July 1, 1928 is reported at \$8,909,540.00. If to this is added those expenditures (\$364,828.00) made direct by the Feather River Power Company, one obtains a total of \$9,274,368.00.

It appears that on March 21, 1928 Western Power Corporation agreed to purchase from Karl Brehme all the common stock and all the Class "B" stock of Feather River Power Company issued, or to be issued, for the sum of \$2,360,000.00, payable in general as follows;-

\$1,085,000.	on or before July 1, 1928.
505,000.	from time to time as moneys are needed to pay the cost of completing the plant.
270,000.	upon the completion of the plant; and
500,000.	within one year after the completion of the plant.

The agreement between applicant and the Western Power Corporation in turn provides that the \$2,360,000.00 which applicant intends to pay for the stock of the Feather River Power Company mentioned herein, is payable on or before two years from the date of the agreement.

No evidence was submitted in this proceeding to show how the Great Western Power Company of California intends to finance the purchase of the Feather River Power Company stock. Obviously, the granting of this application cannot commit the Commission to the approval of any particular form of financing such transaction.

O R D E R

Great Western Power Company of California having asked permission to purchase all the common and all the Class "B" preferred stock of the Feather River Power Company now issued, or to be issued, a public hearing having been held before Examiner Fankhauser, and the Commission being of the opinion that the granting of this application is in the public interest, and that such application should be granted, therefore,

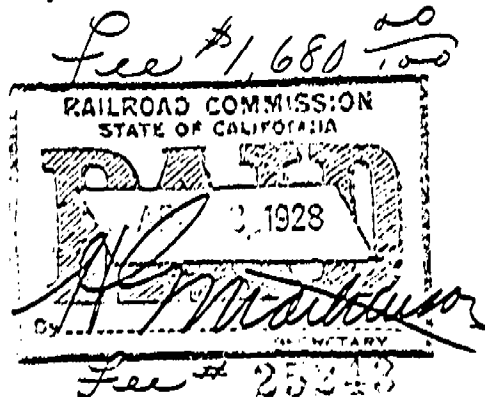
IT IS HEREBY ORDERED that the Great Western Power Company of California be, and it is hereby, authorized to purchase all of the Class "B" preferred stock and all the common stock of the Feather River Power Company issued, or to be issued, at the price and upon the terms and conditions set forth in the agreement attached to the petition in this proceeding and marked "Exhibit A", which agreement the Great Western Power Company of California is hereby authorized to execute.

IT IS HEREBY FURTHER ORDERED that the authority herein granted will become effective when the Great Western Power Company of California has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is \$1,680.00.

IT IS HEREBY FURTHER ORDERED that the Great Western Power Company of California shall from time to time, as payments are made for the stock of the Feather River Power Company, file with the Commission a statement showing the amounts paid for such stock.

DATED at San Francisco, California, this 2<sup>nd</sup> day of

April, 1928.



Leon Whidell  
Al Seavey  
James L. ...  
Arthur D. ...  
Commissioners.