

Decision No. 24490

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 THE SOUTHERN SIERRAS POWER COMPANY,)
 an electrical corporation, for an)
 order authorizing the issue and sale) Application No. 17889
 of \$1,202,000. par value, First and)
 Refunding Mortgage Bonds.)

J. S. Bordwell, for applicant.

BY THE COMMISSION:

O P I N I O N

ORIGINAL

The Southern Sierras Power Company asks permission to issue and sell \$1,202,000.00 of its first and refunding mortgage six percent bonds due January 1, 1965, at not less than 95 percent of the face value thereof and accrued interest, for the purpose of financing construction costs.

It appears that The Southern Sierras Power Company is a corporation, organized on or about June 15, 1911 under the laws of the State of Wyoming. It is engaged in the public utility electrical business in this State in the Counties of Mono, Inyo, Kern, San Bernardino, Riverside and Imperial. It has an authorized capital stock of \$10,000,000.00, divided equally into common and seven percent preferred. At present it reports outstanding \$2,000,000.00 of the preferred and \$5,000,000.00 of the common. It reports its assets and liabilities, as of November 30, 1931, as follows:

ASSETS

Property.....	\$21,747,092.95
Miscellaneous investments.....	110.00
Current assets.....	1,251,839.87
Intercompany accounts.....	64,948.53
Bond redemption funds.....	1,025.00
Prepayments.....	38,466.59
Unamortized debt discount.....	733,481.14
Stock discount.....	4,995,350.00
Deferred debits.....	<u>76,657.41</u>
Total Assets.....	<u>\$28,908,971.49</u>

LIABILITIES

Capital stock.....	\$ 7,000,000.00
Funded debt.....	15,842,000.00
Current liabilities.....	504,625.09
Intercompany account.....	1,920,785.09
Deferred credits.....	157,052.47
Depreciation reserve.....	2,163,324.01
Other reserves.....	167,933.62
Surplus.....	<u>1,153,251.21</u>
Total Liabilities.....	<u>\$28,908,971.49</u>

The outstanding \$15,842,000.00 of bonds are secured by a mortgage or deed of trust of the open end type. Although designated as first and refunding, the bonds as a matter of fact are secured by an indenture which is a first lien on the company's properties. All of the bonds outstanding were issued under authorizations granted by this Commission, the last authorization, Decision No. 23991, dated August 24, 1931, having permitted the issue of bonds to finance in part the cost of additions and betterments made up to and including December 31, 1930.

In making this application to issue additional bonds, the company reports that from January 1, 1931 to September 30, 1931, it expended for the acquisition and construction of properties the sum of \$1,830,956.94. During the same period, it retired property representing an investment of \$416,805.30, leaving a net investment for the nine months of \$1,414,151.64. This amount, it appears, was not financed through the issue of stock or bonds, but was provided for through moneys borrowed from the Nevada California Electric

Corporation. The company plans to use the proceeds from the proposed new issue of bonds to liquidate in part this outstanding indebtedness.

O R D E R

The Southern Sierras Power Company having applied to the Railroad Commission for permission to issue \$1,202,000.00 of first and refunding mortgage six percent bonds, due January 1, 1965, a public hearing having been held before Examiner Fankhauser and the Commission being of the opinion that the money, property or labor to be procured or paid for through the issue of the bonds is reasonably required by applicant for the purpose herein stated, which purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income, therefore,

IT IS HEREBY ORDERED that The Southern Sierras Power Company be, and it hereby is, authorized to issue and sell, on or before April 30, 1932, at not less than 95 percent of their face value plus accrued interest, \$1,202,000.00 of its first and refunding mortgage six percent bonds, due January 1, 1965, and to use the proceeds to pay outstanding indebtedness and to finance in part construction costs incurred during the period from January 1, 1931 up to and including September 30, 1931.

The authority herein granted is subject to the following conditions:

(1) Applicant shall keep such record of the issue and sale 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, insofar 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 Eleven Hundred and One (\$1101.00) Dollars.

DATED at San Francisco, California, this 15th day of February, 1932.

C. C. Scamper
Leon Whiteley
W. J. Lee
M. B. Harris
Fred G. Beckwith
Commissioners.

Fee \$1,101.⁰⁰/₁₀₀

R. Matthews
Fee #