

LBM

Decision No. 24853

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
THE CALIFORNIA OREGON POWER COMPANY
for an order of the Railroad Commis-
sion authorizing:

(a) the execution of a refunding mort-
gage covering all of its presently
owned and hereafter acquired proper-
ties;

(b) the issue and sale of \$4,000,000.
refunding mortgage gold bonds, 6½%
Series due 1942, and of \$4,000,000.
refunding mortgage gold bonds, 6%
Series due 1962, for conversion;

(c) the issue and sale of \$3,000,000.
five and one-half percent gold deben-
tures, Series A;

(d) and other purposes as stated in
the original and supplemental appli-
cations herein.

Application No. 17692

BY THE COMMISSION:

FOURTH SUPPLEMENTAL ORDER

The California Oregon Power Company in its fourth sup-
plemental application filed in the above entitled matter on June 7,
1932, asks the Railroad Commission to make its order approving its
proposed form of trust indenture, approving a contract between it
and Standard Gas and Electric Company, and modifying the order in
the Commission's Decision No. 24781 dated May 23, 1932, as amended
by Decision No. 24814 dated May 25, 1932.

Paragraph one of the order in Decision No. 24781, as
amended by Decision No. 24814, reads as follows:-

" The California Oregon Power Company, after the
effective date hereof and prior to July 1, 1932, may issue,
sell and deliver, at not less than 87 percent of their face
value and accrued interest, its refunding mortgage gold
bonds, 6½% Series due 1942, in the principal amount of
\$4,000,000.00, and may, for the purpose of converting said

bonds, issue and deliver to the trustees under its refunding mortgage, its refunding mortgage gold bonds, 6% Series due 1962, in such amount as may be required for the conversion of the said 6½% Series due 1942 bonds into said 6% Series due 1962 bonds on a par for par basis, plus the payment of \$50.00 in cash for every \$1,000.00 6½% Series due 1942 bond the holder thereof desires to convert into a 6% Series due 1962 bond, and issue, sell and deliver temporary certificates for said bonds to be exchanged for said bonds when issued; provided, that Standard Gas and Electric Company file with this Commission, in satisfactory form, an agreement under the terms of which it agrees for itself, its successors and assigns to purchase a sufficient amount of applicant's common stock to provide said applicant with the cash necessary to carry out the conversion of the aforesaid bonds."

The authority granted by the Commission in said decisions was to become effective when the company paid the fee prescribed by Section 57 of the Public Utilities Act and when the Commission authorized the company to execute a trust indenture to secure the payment of said bonds. The fee of \$2,500.00 was paid on June 3, 1932.

The company now has filed a copy of its proposed trust indenture and a copy of the contract by and between it and Standard Gas and Electric Company, whereby Standard Gas and Electric Company agrees to purchase applicant's common stock to provide applicant with the cash necessary to carry out the conversion of its refunding mortgage gold bonds, 6½% Series due 1942, for refunding mortgage gold bonds, 6% Series due 1962. It will be noted, however, that the authority granted by the Commission was upon the condition that under such agreement Standard Gas and Electric Company should agree for itself, its successors and assigns to purchase applicant's common stock, whereas the contract now filed obligates Standard Gas and Electric Company only, to make such purchases. The contract in other respects appearing satisfactory, the Commission will approve the copy as filed, upon the condition that it be modified so

as to bind/^{not} only the Standard Gas and Electric Company, but also its successors and assigns, as originally specified in the Commission's decision.

It appears that some doubt exists whether the company under the Commission's former orders may issue its refunding mortgage bonds, 6% Series due 1962, after July 1, 1932, and in order to remove any doubt, the former decisions will be amended so as to permit applicant to issue said six percent bonds up to and including July 1, 1941, subject, of course, to the limitations and restrictions set forth in the former decisions. The order will also permit the company to pay to the holders of the bonds surrendered for conversion a sum in cash at the rate of \$5.00 per \$100. principal amount of bonds converted.

IT IS HEREBY ORDERED, that The California Oregon Power Company be, and it hereby is, authorized to execute a trust indenture substantially in the same form as that filed with the Commission in this proceeding on June 7, 1932, provided that the authority herein granted to execute a trust indenture is for the purpose of this proceeding only, and is granted insofar as this Commission has jurisdiction under the terms of the Public Utilities Act and is not intended as an approval of said trust indenture as to such other legal requirements to which said trust indenture may be subject.

IT IS HEREBY FURTHER ORDERED, that the order in Decision No. 24781 dated May 23, 1932, as amended by Decision No. 24814 dated May 25, 1932, be, and it hereby is, modified so as to permit The California Oregon Power Company to issue its refunding mortgage gold bonds, 6% Series due 1962, on or before July 1, 1941 in such amount as may be required by the conversion of its refunding mortgage gold bonds, 6½% Series due 1942.

IT IS HEREBY FURTHER ORDERED, that The California Oregon Power Company, upon the conversion of its refunding mortgage bonds, 6½% Series due 1942, into its refunding mortgage bonds, 6% Series due 1962, may pay to the holders thereof at the time of such conversion, a sum in cash at the rate of \$5.00 per \$100.00 principal amount of bonds so converted.

IT IS HEREBY FURTHER ORDERED, that The California Oregon Power Company be, and it is hereby, authorized and directed to enter into a contract with Standard Gas and Electric Company substantially in the same form as that filed with the Commission on June 7, 1932, except that said contract shall provide that Standard Gas and Electric Company, its successors and assigns, agree to purchase a sufficient amount of applicant's common stock to provide applicant with the cash necessary to carry out the conversion of its refunding mortgage bonds, 6½% Series due 1942.

IT IS HEREBY FURTHER ORDERED, that the orders in Decision No. 24781, dated May 23, 1932, and Decision No. 24814, dated May 25, 1932, shall remain in full force and effect, except as modified by this Fourth Supplemental Order.

DATED at San Francisco, California, this 13th day of June, 1932.

P. S. Kearney
Leon A. Whaley
M. J. A.
M. B. Harris
Fred G. Stewart
Commissioners