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ORIGINAL

Decision No. 10193.

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)
\$1,000,000.00 of Series "C" six per)
cent first and refunding mortgage)
bonds.)

Application No. 7581

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

BENEDICT, Commissioner.

O P I N I O N

In this application, GREAT WESTERN POWER COMPANY OF CALIFORNIA asks permission to issue and sell at 94 per cent. of their face value and accrued interest, \$1,000,000.00 of its Series "C" six per cent. first and refunding mortgage bonds due February 1, 1952. The company proposes to use the proceeds to finance the cost of extensions, additions and betterments and to reimburse its treasury.

Applicant's outstanding interest bearing bonded indebtedness as of December 31, 1921, is reported as follows:

First and Refunding 6% bonds, Series "A" due March 1, 1949,.....	\$6,000,000.
First and Refunding 7% bonds, Series "B" due March 1, 1950,.....	1,101,900.
General Mortgage convertible 8% bonds, due August 1, 1930,.....	4,898,100.
General Lien convertible 8% bonds due February 1, 1936,.....	2,500,000.
Convertible 6% debentures due November 1, 1925,.....	4,177,600.
Great Western Power Company 5% bonds due July 1, 1946,.....	20,892,000.
City Electric Company 5% bonds due July 1, 1937,.....	1,457,000.
Consolidated Electric Company 5% bonds due June 1, 1955,.....	1,602,200.
Central Oakland Light & Power Co. 5% bonds due May 1, 1939,....	61,000.
Consumers Light and Power Company 6% bonds due April 15, 1933,...	72,000.
	<u>\$42,761,800.</u>

In addition, \$7,398,100. of first and refunding bonds of Series "B" are deposited as collateral to secure in part the payment of the General Mortgage Convertible and General Lien Convertible bonds. As of the same date, December 31, 1921, applicant reports outstanding \$30,812,684.21 of stock, consisting of \$27,500,000. of common and \$3,312,684.21 of 7 per cent. preferred.

In general, applicant proposes to use the proceeds from the sale of the Series "C" bonds for the following purposes:

To reimburse its treasury on account of capital expenditures made prior to December 31, 1921,.....	\$524,784.05
To reimburse its treasury for moneys expended in paying notes,.....	271,505.80
To pay in part the cost of a new substation,.....	<u>143,710.15</u>
Total,.....	<u>\$940,000.00</u>

The petition shows that since September 1, 1921 and prior to December 31, 1921, applicant expended \$275,344.15 for construction work on its Caribou project and \$3,242.10 on its 160,000 volt transmission line from Caribou to Valona and that since July 1, 1921 and prior to December 31, 1921, it expended \$246,197.80 for other additions and betterments. The sum of these three figures is \$524,784.05, which represents, according to testimony herein, uncapitalized construction expenditures made prior to December 31, 1921.

Applicant reports that prior to July 1, 1921, it executed six promissory notes to General Electric Company in the aggregate amount of \$271,505.80 to pay for material and equipment used in its

construction work and that this amount has not been included in previous requests of applicant to issue securities. It appears that these notes, since December 31, 1921, have been paid and applicant accordingly requests that it be permitted to reimburse its treasury to the extent of \$271,505.80 for moneys expended in their payment.

The company reports that it proposes to construct at an estimated cost of \$880,562.00 a new high tension substation between Albany and Richmond, Contra Costa County, to be known as the Golden Gate substation. It asks permission to use \$143,710.15 of the proceeds from the sale of Series "C" bonds to pay in part the cost of this proposed construction.

The application shows that arrangements have been made for the sale of the \$1,000,000.00 of bonds to E.H. Rollins and Sons at 94 and accrued interest.

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 and sell bonds, 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 by such issue and sale is reasonably required by applicant for the purposes specified herein and that the expenditures for such purposes are not in whole or in part reasonably chargeable to operating expenses or to income;

IT IS HEREBY ORDERED that GREAT WESTERN POWER COMPANY OF CALIFORNIA be, and it is hereby, authorized to issue and sell, on or before July 1, 1922, at not less than 94 per cent. of face value plus accrued interest, \$1,000,000.00 of Series "C" first and refunding mortgage six per cent. bonds due February 1, 1952, and use the

proceeds from the sale of the bonds to reimburse its treasury and finance the cost of extensions, additions and betterments as reported in this application.

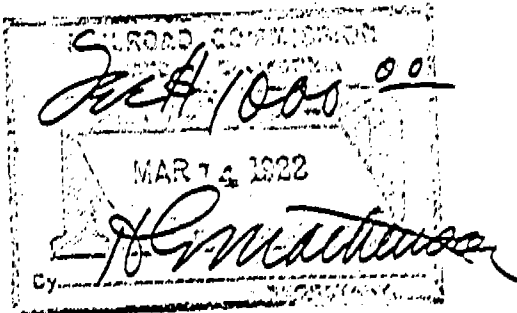
The authority herein granted is subject to further conditions as follows:-

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 in so far as applicable, is made a part of this order.

2.--The authority herein granted will not become effective until applicant has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is \$1,000.00.

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 14th day of March, 1922.



H. S. Loveland

Charles H. ...

W. F. ...

Commissioners.