

MM

Decision No. 10604

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

-oOo-

In the Matter of the Application
of GREAT WESTERN POWER COMPANY
OF CALIFORNIA, a corporation, to issue) Application No. 7754.
and sell \$2,000,000. face amount of)
Series "C" First and Refunding Mort-)
gage Bonds.)

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

BENEDICT, COMMISSIONER:

FIRST SUPPLEMENTAL OPINION

GREAT WESTERN POWER COMPANY OF CALIFORNIA, in its first supplemental application filed in the above entitled matter, asks permission to use \$1,653,073.19 of the proceeds obtained from the sale of the Series "C" six per cent. first and refunding mortgage bonds authorized by Decision No. 10355, dated April 25, 1922, to finance construction expenditures made prior to May 1, 1922, and to pay, in part, the cost of acquiring properties.

By Decision No. 10355 the Railroad Commission authorized applicant to issue and sell, at not less than 96 per cent. of face value plus accrued interest, \$2,000,000.00 of Series "C" six per cent. first and refunding mortgage sinking fund gold bonds due February 1, 1952, and to use the proceeds, if necessary, to pay general mortgage 8 per cent. bonds called for

redemption on August 1, 1922. The order of the Commission provided that any of such proceeds not used to pay general mortgage bonds should be deposited in a special bank account or accounts and expended only for such purpose as the Commission might thereafter authorize.

The company now reports that it believes that the holders of substantially all of the outstanding general mortgage bonds will exercise their rights to exchange such general mortgage bonds, upon redemption, for Series "B" seven per cent. first and refunding bonds, and that consequently only a small portion of the proceeds, (not exceeding \$250,000.) from the sale of the \$2,000,000. of bonds, will be necessary to pay the general mortgage bonds when called.

Applicant now asks the Commission to make its order permitting the use of \$1,653,073.19 of the proceeds obtained from the sale of bonds authorized by Decision No. 10355 to reimburse its treasury.

The company reports that it has expended for capital purposes prior to December 31, 1921, for which it has not been reimbursed, the sum of \$34.59; that it has expended for its Golden Gate Substation prior to May 1, 1922, \$140,033.64, for other additions and betterments prior to May 1, 1922, \$388,004.96, and for the properties of Universal Electric and Gas Company, \$1,125,000., making a total of \$1,653,073.19 representing expenditures made prior to May 1, 1922, for which applicant has not been reimbursed.

I herewith submit the following form of order:

FIRST SUPPLEMENTAL ORDER

GREAT WESTERN POWER COMPANY OF CALIFORNIA, having applied to the Railroad Commission for permission to use proceeds obtained from the sale of the bonds authorized by Decision No. 10355 dated April 25, 1922, a public hearing having been held and the Railroad Commission being of the opinion that the application should be granted, as herein provided,

IT IS HEREBY ORDERED that the order in Decision No. 10355 dated April 25, 1922, be, and it is hereby, modified so as to permit Great Western Power Company of California to use not exceeding \$1,653,073.19 of the proceeds obtained from the sale of the \$2,000,000. of bonds authorized by the order in said decision, to finance the cost of the extensions, additions, betterments, and properties described in the first supplemental application in this proceeding and referred to in the foregoing opinion, provided

THAT, only such cost of the extensions, additions, betterments, and properties as is properly chargeable to capital account under the Classification of Accounts prescribed or adopted by the Railroad Commission shall be financed through the use of \$1,653,073.19 of the proceeds.

IT IS HEREBY FURTHER ORDERED that the order in Decision No. 10355, dated April 25, 1922, shall remain in full force and

effect except as modified by the First Supplemental Order.

The foregoing First Supplemental Opinion and First Supplemental Order are hereby approved and ordered filed as the First Supplemental Opinion and First Supplemental Order of the Railroad Commission.

Dated at San Francisco, California, this 22d day of June, 1922.

H. H. Benedict
James M. White
Robert H. Koonce
H. H. Benedict