

Decision No. ✓

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of)
Pacific Light and Power Corporation)
for an order authorizing an issue)
of stock and bonds.)

Application No. 1222

S. M. Haskins for applicant

EDGERTON, Commissioner.

O P I N I O N

This is an application by Pacific Light and Power Corporation for authority to issue 19,430 shares of its first preferred six per cent. cumulative stock, and \$4,382,000 of its first and refunding mortgage bonds.

Applicant proposes to sell these securities as follows:

19,430 shares of first preferred six per cent cumulative stock at \$85 per share	\$1,651,550
\$4,382,000 of first and refunding mortgage bonds at 85% of par	<u>3,724,700</u>
Total	\$5,376,250

Applicant proposes to apply the proceeds from the sale of the stock and bonds upon its floating indebtedness in the sum of \$5,407,676.95 and for certain additions and betterments in connection with its hydroelectric construction work at Big Creek, Fresno County.

Applicant has been engaged in extensive hydroelectric development projects on Big Creek for which an initial installation of 40,000 kilowatts was projected, but which it is now enlarging to 60,000 kilowatts. Its transmission lines and other properties are being enlarged accordingly.

It is estimated by applicant's engineers that when this work shall have been completed it will have cost approximately \$214 per kilowatt. or if expenditures for future development be included, approximately \$241 per kilowatt.

Applicant presents a statement, in connection with its application, to the effect that for this hydroelectric project and for other additions and betterments to its system, it has invested for capital purposes the sum of \$5,845,770 from funds obtained from sources other than the sale of stock and bonds. This sum, it states, is represented for the most part by its floating indebtedness.

The details bearing upon these capital expenditures are set forth in applicant's Exhibits "B", "C" and "D", attached to the application herein, to which reference is hereby made.

It appears that applicant is entitled under its mortgage and deed of trust to draw upon all but \$1,500,000 of the bonds applied for. As there are further items in the Exhibits presented which will require further investigation by this Commission, I shall recommend that the application be granted with the reservation that a supplemental order be required as to \$1,500,000 of the bonds.

I therefore recommend that applicant be granted authority to issue 19,430 shares of its first preferred six per cent cumulative stock, and \$4,382,000 of its first and refunding mortgage bonds on the conditions as will appear in the order.

I submit herewith the following form of order:

O R D E R

Pacific Light and Power Corporation having applied to this Commission for authority to issue 19,430 shares of its first preferred cumulative stock at \$85 per share, and \$4,382,000 of its first and refunding mortgage bonds at 85 per cent of par value, and a hearing having been held and it appearing to the Commission

that the purposes for which it is proposed to issue said stock and bonds are not in whole or in part reasonably chargeable to operating expenses or to income,

IT IS HEREBY ORDERED that Pacific Light and Power Corporation be given, and it is hereby given, authority to issue 19,430 shares of its first preferred six per cent cumulative stock, and

IT IS HEREBY FURTHER ORDERED that Pacific Light and Power Corporation be given, and it is hereby given, authority to issue \$4,362,000 of its first and refunding mortgage bonds.

The authority herein given is given upon the following terms and conditions and not otherwise:

1. The bonds herein authorized to be issued shall be issued only after the applicant shall have issued the stock herein authorized to be issued.

2. Applicant shall sell the stock herein authorized to be issued at not less than \$85 per share.

3. Applicant shall apply the proceeds from the sale of the stock herein authorized to be issued either upon its floating indebtedness as filed by the applicant herein as Exhibit "A" in connection with the application herein, or it shall apply said moneys upon additions and betterments to its properties.

4. If the applicant determines to use the proceeds from the sale of the stock herein authorized to be issued for additions and betterments to its properties, it shall only so use the proceeds from said stock after it shall have submitted a detailed list of said proposed additions and betterments to its properties to the Commission and shall have received a supplemental order from the Commission approving such use.

5. Applicant shall issue and sell \$1,500,000 of the bonds herein authorized to be issued only after it shall have obtained a supplemental order from this Commission stating that it

has complied with all of the conditions necessary for the issue of said \$1,500,000 of bonds.

6. Applicant shall sell the bonds herein authorized to be issued at not less than 85 per cent of their par value plus accrued interest.

7. Applicant shall apply the proceeds from the sale of the bonds herein authorized to be issued either upon its floating indebtedness as filed by the applicant herein as Exhibit "A" in connection with the application herein, or it shall apply said moneys upon additions and betterments to its properties.

8. If the applicant determines to use the proceeds from the sale of the bonds herein authorized to be issued for additions and betterments to its properties, it shall only so use the proceeds from said bonds after it shall have submitted a detailed list of said proposed additions and betterments to its properties to the Commission and shall have received a supplemental order from the Commission approving such use.

9. Applicant shall only issue the bonds herein authorized to be issued when it shall have complied with the provisions of its mortgage and deed of trust, being the mortgage and deed of trust of Pacific Light and Power Corporation to United States Mortgage and Trust Company, dated November 20, 1911, a copy of which has been filed with this Commission in connection with the application herein, to which reference is hereby made.

10. Said company shall keep separate, true and accurate accounts showing the receipt and application in detail of the proceeds of the sale of said stock and said bonds hereby authorized to be issued, and on or before the 25th day of each month the company shall make a verified report to the Commission in accordance with the Commission's General Order No. 24, stating the sale or disposal of such stock and such bonds during the preceding month,

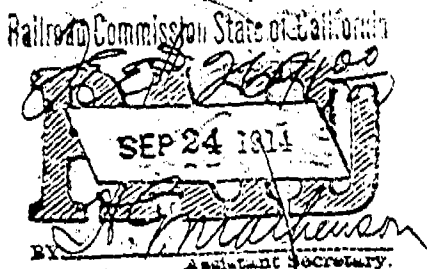
the terms and conditions of such sale or other disposition, the moneys realized therefrom and the use and application of such moneys or property.

11. This order shall not become effective until the fee prescribed by Section 57 of the Public Utilities Act, as amended, shall have been paid.

12. The authority hereby granted to issue stock and bonds shall apply only to stock and bonds issued by said company on or before the 30th day of June, 1915.

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 21st day of September, 1914.



John M. Ehlman
H. D. Lovland
Max Thelen
Edwin C. Edgerton
Commissioners.