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Decision No. _____

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE
STATE OF CALIFORNIA.

In the matter of the application of MT. WHITNEY POWER AND ELECTRIC COMPANY for an order authorizing the issue of bonds.

Application

No. 2252.

Platt Kent for Mt. Whitney Power and
Electric Company

TEELLEN, Commissioner.

O P I N I O N

This is an application by MT. WHITNEY POWER AND ELECTRIC COMPANY for authority to issue \$450,000.00 of its first mortgage six per cent. bonds. The applicant proposes to sell these bonds at 96 per cent. of their face value plus accrued interest, and to apply the proceeds toward the following purposes:

Purchase of consumers' transformers	\$373,582.03
200 additional transformers @ \$80.00	16,000.00
New lines to consumers	20,000.00
Main transmission line changes, capital charge	104,875.89
Porterville substation	30,866.00
Sand box Kaweah No. 3.	1,050.00
Miscellaneous additions	<u>17,000.00</u>
Total	\$563,374.92

Under the terms of applicant's deed of trust or mortgage it may issue its bonds up to 80 per cent. of the cost of additions and betterments when its net earnings during the twelve consecutive months within thirteen months immediately preceding the application for the authentication of the bonds shall have been not less than twice the annual interest charges on the bonds outstanding and the bonds proposed to be issued. The evidence shows that the earnings of applicant have been more than sufficient to enable the company, under the terms of its trust deed or mortgage, to secure from the trustee the bonds for the issue of which authority is herein asked.

The affairs of this corporation were recently reviewed by this Commission in detail in connection with Application No. 1673. See Decision No. 3242, rendered on April 6, 1916, to which decision reference is hereby made.

In passing upon this application, it may be noted that applicant is promptly taking steps to carry out the provisions of this Commission's order in Decision No. 3242, and that it is making the necessary provision for the new business which is made available to applicant under the recent adjustment of rates.

Applicant's first request was to sell its bonds at 95 per cent. of their face value plus accrued interest, but it now believes it can market them at 96, which is the highest figure that these bonds have ever netted to applicant.

I recommend that the application be granted and submit herewith the following form of order:

O R D E R

MT. WHITNEY POWER AND ELECTRIC COMPANY having applied to the Railroad Commission for an order authorizing the issue of \$450,000.00 face value of its first mortgage six per cent. bonds under its deed of trust or mortgage to Bankers' Trust Company of New York, dated October. 1, 1909, and a public hearing having been held and the Railroad Commission finding that the purposes for which applicant proposes to issue said bonds are not in whole or in part reasonably chargeable to operating expenses or to income,

IT IS HEREBY ORDERED that Mt. Whitney Power and Electric Company be, and said company is hereby, granted authority to issue \$450,000.00 face value of its first mortgage six per cent. bonds under its deed of trust or mortgage to Bankers' Trust Company of New York, dated October, 1, 1909, upon the following conditions and not otherwise:

(1) Mt. Whitney Power and Electric Company shall sell the bonds hereby authorized so as to net said company not less than 96 per cent. of their face value plus accrued interest thereon.

(2) Mt. Whitney Power and Electric Company shall use the proceeds derived from the sale of said bonds for the following purposes, and not otherwise:

Purchase of consumers' transformers	\$373,582.03
200 additional transformers @ \$80.00.....	16,000.00
New lines to consumers	20,000.00
Main transmission line changes, capital charge	104,875.89
Porterville substation	30,866.00
Sandbox Kaweah No. 3	1,050.00
Miscellaneous additions	<u>17,000.00</u>
Total	\$563,374.92

(3) The main transmission line changes to be made from the proceeds of the bonds hereby authorized to be issued shall be such transmission line changes as are outlined by the applicant in a state-

ment filed herein on May 12, 1916, to which statement reference is hereby made.

(4) Mt. Whitney Power and Electric Company shall keep separate, true, and accurate accounts showing the receipt and application in detail of the proceeds of the sale of the bonds hereby authorized to be issued, and on or before the twenty-fifth day of each month the company shall make a verified report to the Commission stating the sale or sales of said bonds during the preceding month, the terms and conditions of the sale, the moneys realized therefrom, and the use and application of such moneys, all in accordance with this Commission's General Order No. 24, which order, in so far as applicable, is made a part of this order.

(5) The authority herein granted is conditioned upon the payment by the applicant of the fee prescribed by the Public Utilities Act.

(6) The authority herein granted shall apply to such bonds as shall have been issued on or before December 31, 1916.

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 19th day of May, 1916.



Max Thelen
St. Louis
Frank D. ...
Commissioners.