

BEFORE THE RAILROAD COMMISSION  
OF THE STATE OF CALIFORNIA

ORIGINAL

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In the Matter of the Application  
of GREAT WESTERN POWER COMPANY for  
an order authorizing the sale of  
277 first mortgage 5 per cent sink-  
ing fund 40 year gold bonds.

} Application No. 2384  
}

Guy C. Earl and Chaffee E. Hall for applicant.

THELEN, Commissioner.

O P I N I O N.

Great Western Power Company asks authority to issue at not less than 90 per cent of their face value plus accrued interest, \$277,000.00 face value of first mortgage 5 per cent sinking fund 40 year gold bonds.

Applicant alleges that prior to May 31, 1914, it expended for extensions, additions and betterments the sum of \$249,350.48, against which expenditure no stock, bonds or other securities have been issued. The expenditures are set forth in Exhibit "B" attached to the petition herein and are as follows:

(a) Expenditures during the months of April and May, 1914:

Additions and improvements to distribution systems .....	\$52,822.12
Additions and Improvements to transmission system (credit) .....	518.84
Additions and improvements to production system .....	95,643.93

Carried Fwd.....\$147,947.21

Carried Fwd.....\$147,947.21

Additions and improvements to  
lands appurtenant to hydro-  
electric development ..... 30,591.65

Additions and improvements for  
General utility purposes ..... 1,087.88

Completion of gravity section  
type dam at Big Meadows ..... 20,161.89

\$199,788.63

(b) Expenditures prior to March 31, 1914,

uncapitalized ..... 49,561.85  
Total ..... \$249,350.48

Applicant desires to reimburse its treasury on account of the foregoing expenditures. It proposes to issue its bonds to Western Power Company, of New Jersey, at not less than 90 per cent of their face value plus accrued interest, repurchase them at the same price and use them to pay applicant's first sinking fund installment under its mortgage or deed of trust dated July 1, 1906 and executed to Central Trust Company of New York, as trustee. Under this mortgage Great Western Power Company is obligated to pay to the trustee on July 1, 1916 and annually thereafter, for the purpose of creating a sinking fund, a sum equal to 1 per cent face value of the bonds outstanding. At its option Great Western Power Company may surrender to the trustee for cancellation, first mortgage bonds in lieu of cash. The bonds thus surrendered to the trustee in payment for the annual sinking fund installment shall be accepted at their face value.

Applicant reports that bonds in the face amount of \$22,397,000.00 are outstanding. Of this amount \$693,000.00 face value are pledged as collateral. The trustee takes the

position that the bonds pledged as collateral are "outstanding", as that term is used in the mortgage or deed of trust. The sinking fund payment due on July 1, 1916 thus amounts to \$223,970.00 which will call for the issue of bonds of the face value of \$224,000.00. Upon having its attention called to the fact that the sinking fund installment calls only for an issue of \$224,000.00 face value of bonds, applicant asked permission to amend its petition so as to request authority to issue bonds of the face value of \$224,000.00 in lieu of the \$277,000.00 referred to in the petition.

The establishment by applicant of an adequate depreciation reserve is now being taken up with applicant by the Railroad Commission and need not receive special consideration herein.

I herewith submit the following form of order:

#### O R D E R

GREAT WESTERN POWER COMPANY having applied to the Railroad Commission for authority to issue \$227,000.00 face value of first mortgage 5 per cent sinking fund 40 year gold bonds, and a public hearing having held and it appearing 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 Great Western Power Company be and the same is granted authority to issue \$224,000.00 face value of first mortgage 5 per cent sinking fund 40 year gold bonds, on the following conditions and not otherwise:

(1) Great Western Power Company shall issue said bonds so as to net not less than 90 per cent of their face value plus accrued interest and shall thereafter reacquire said bonds at not to exceed said price and deliver them to the trustee under the company's first mortgage or deed of trust in payment of the sinking fund obligation due July 1, 1916.

(2) Great Western Power 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 25th day of each month the company shall make a verified report to the Railroad Commission stating the sale or sales of said bonds during the preceding month, the terms and conditions of the sale and the moneys realized therefrom, and the use and application of such moneys, all in accordance with the Railroad Commission's General Order No. 24, which order, in so far as applicable, is made a part of this order.

(3) The authority herein granted to issue bonds shall not be effective until Great Western Power Company has paid the fee specified in the Public Utilities Act.

(4) The authority herein granted to issue bonds shall apply only to such bonds as shall have been issued on or before October 1, 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 31st day of July, 1916.

M. T. Max. Thelen  
H. S. E. H. S. E.  
a. g. Alfred Gordon  
F. M. P. Frank R. Dyer

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Commissioners.