

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 : Application No. 435.  
an issue of \$250,000.00 of bonds. :

Jesse W. Lillenthal for Mt. Whitney Power  
and Electric Company.

LOVELAND, Commissioner.

O P I N I O N.

This is an application of Mt. Whitney Power and Electric Company for authority to issue \$250,000.00 of its first mortgage 6% bonds for the purpose of building transmission and distributing lines and for continuing construction work upon its hydroelectric project on the Kaweah River. The transmission and distribution lines are required for the purpose of meeting applicant's growing business necessities. New business is being offered the company constantly and distribution lines must be built to accommodate these prospective patrons. The hydroelectric project on the Kaweah River was begun by Mt. Whitney Power and Electric Company prior to the enactment of the Public Utilities Act. This project calls for a total expenditure of approximately \$1,400,000.00. Up to January 31, 1913, \$491,359.49 had been expended upon this work, leaving a balance of \$908,640.51 as the sum required to complete the enterprise.

The Kaweah hydroelectric project was considered by the Commission in connection with Application No. 287 in which Mt. Whitney Power and Electric Company also asked for an order authorizing an issue of \$250,000.00 of bonds. A portion of these bonds were applied upon this hydroelectric construction. In Application No. 287 and in the order thereupon, the Commission considered also the financial affairs of Mt. Whitney Power and Electric Company.

Subsequently, on February 26, 1913, complying with a request made by the Commission, Mt. Whitney Power and Electric Company

filed a detailed statement of the engineering work involved in the Kaweah hydroelectric project under the title "Report on Generating and Transmission Extensions under Construction by Mt. Whitney Power and Electric Company". In this report are set forth the details which go to make up the total of \$1,400,000.00.

The Commission is now asked to authorize a further issue of \$250,000.00 of bonds for Mt. Whitney Power and Electric Company, the proceeds to be used in further construction work upon this hydroelectric project and for transmission and distribution lines that may be needed.

The bonds hereby applied for are to be issued under applicant's first mortgage dated October 1, 1909 which provides that bonds may be issued up to only 80% of the cost of the construction work and imposes other conditions designed to safeguard the indebtedness. And I am of the opinion that the financial condition of this company is such that it may properly be authorized to issue the bonds herein applied for without unreasonably encumbering its property under the principles heretofore announced by this Commission, the total outstanding obligations of this company being, with this added encumbrance, substantially less than the value of its property.

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 an issue by said company of bonds of the amount of \$250,000.00 face value, payable on the 1st day of October, 1939, under the terms and conditions set out in its first mortgage to Bankers' Trust Company of New York, dated October 1, 1909, a copy of which is on file with this Commission and to which reference is hereby made, said bonds to bear interest at the rate of 6% per annum; and

A hearing having been held and it appearing that the money to be obtained from the sale of said bonds is necessary to and reasonably required by the Mt. Whitney Power and Electric Company for the acquisition of property, for the construction, completion, extension and improvement of its facilities; and

It further appearing that said purposes 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, the applicant herein, be and it is hereby authorized to issue \$250,000.00 face value of principal of said bonds, payable on the 1st day of October, 1939, under the terms and conditions set out in its first mortgage to Bankers' Trust Company of New York, dated October 1, 1909, said bonds to bear interest at the rate of 6% per annum, on the following conditions and not otherwise:-

(1) Mt. Whitney Power and Electric Company is hereby authorized to sell said bonds at not less than 95% of their face value and accrued interest thereon.

(2) The proceeds from the sale of said bonds shall be used solely for the following purposes:-

(a) For construction work upon the Zawsah River hydro-electric project and for such specific purposes in relation thereto and for such specific amounts as appear in "Report on Generating and Transmission Extensions under Construction by Mt. Whitney Power and Electric Company", being a report on file with this Commission as an exhibit in Application No. 287.

(b) For distribution lines needed in the ordinary course of business development.

(3) 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 25th day of each month the company shall make verified reports 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.

(4) The authority hereby given to issue such bonds shall apply only to bonds issued by Mt. Whitney Power and Electric Company on or before the 1st day of April, 1914.

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 25<sup>th</sup> day of April, 1913.

John W. Eastman  
H. D. Gravel  
Alvin Gordon  
Edwin O. Edgerton

Commissioners.

Railroad Commission State of California

706 \$250.00  
APR 30 1913  
BY A. C. Nicholson  
Assistant Secretary.