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ORIGINAL

Decision No. 6294

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 GREAT WESTERN POWER COMPANY OF
 CALIFORNIA, GREAT WESTERN POWER COM-
 PANY, CITY ELECTRIC COMPANY and
 CONSOLIDATED ELECTRIC COMPANY for an
 order authorizing the transfer of
 properties, the execution of a mort-
 gage, the issue of bonds and stock and
 the approval of a financial plan.

Application No. 4395.

Guy C. Earl and Chaffee E. Hall, for applicants.

DEVLIN, Commissioner.

O P I N I O N

The Railroad Commission is asked to make its Order:-

1.-Authorizing and permitting Consolidated Elec-
 tric Company to sell, and Great Western Power Company to buy,
 all of the properties of Consolidated Electric Company sub-
 ject to the liens of the mortgages thereon, in consideration
 of the assumption by Great Western Power Company of the mort-
 gage and other obligations of Consolidated Electric Company.

2.-Authorizing and permitting Great Western Power
 Company and City Electric Company to sell, and Great Western
 Power Company of California to buy, all of the properties of
 Great Western Power Company and City Electric Company (including
 the properties of Consolidated Electric Company to be thereto-
 fore acquired by Great Western Power Company), in considera-
 tion of the assumption by Great Western Power Company of
 California of all the mortgages and other obligations of Great
 Western Power Company and City Electric Company respectively,
 (including the obligations of Consolidated Electric Company to
 be theretofore assumed by Great Western Power Company).

3.-Authorizing and permitting Great Western Power Company to issue and sell to Great Western Power Company of California \$2,407,000.00 of bonds now in the treasury of Great Western Power Company.

4.-Authorizing and permitting City Electric Company to issue and sell to Great Western Power Company of California \$1,564,000.00 of bonds, said amount representing all of the bonds which the company may issue under its mortgage up to March 1, 1919.

5.-Authorizing and permitting Great Western Power Company of California to execute its first and refunding mortgage upon the terms set forth in the financial plan attached to the petition herein and marked Exhibit "A".

6.-Authorizing and permitting Great Western Power Company of California to issue and sell, at not less than 88 and accrued interest, \$6,000,000.00 of its Series "A" bonds secured by its first and refunding mortgage.

7.-Authorizing and permitting Great Western Power Company of California to issue and sell at not less than 90, \$1,500,000. par value of its seven per cent cumulative preferred stock.

8.-Approving in general the financial plan set forth in Exhibit "A" attached to the petition herein.

The testimony shows that one of the main purposes of this application is the securing of funds necessary to finance the construction of important hydro-electric development work.

Great Western Power Company of California, hereinafter for convenience called "Western of California", proposes to immediately construct a hydro-electric generating plant (to be known as the "Caribou plant") of 40,000 K. W. present capacity on the north fork of the Feather River. The plant is to be located in the main canyon of the north fork distant about 6 miles from Belden station on the Western Pacific.

The petition further shows that the spill-way at the Big Meadows Dam (Lake Almanor) will be raised 9 feet and the capacity of the reservoir thereby increased from 300,000 to 380,000 acre feet. Water from the Lake will be diverted through a large intake tower and through a concrete lined tunnel, 7 feet in inside diameter and 2 miles in length to the Butt Valley water shed and there spilled into the channel of Butt Creek where, together with the natural waters of Butt Creek it will flow down the valley to a small dam at the lower end of the canyon, which will serve as the plant's fore-bay. A second tower will receive the waters at this point

which, after passing through a series of three tunnels of an inside diameter of 9 feet and an aggregate length of about two miles, (1400 feet of which has already been excavated) will drop to the power house below, through steel penstocks imbedded in concrete in solid rock tunnels. The power house will consist of two 20,000 K. W. units, together with necessary electrical apparatus for switching and stepping-up the electrical energy to the transmission voltage, all housed in a reinforced concrete structure. Ultimately the plant will be increased to a capacity of 136,000 K. W. From the power house a 150,000 volt steel tower transmission line is to be constructed to Big Bend and thence to Valona sub-station, a distribution net work center on the shore of San Francisco Bay, south of Carquinez Straits. A 9 mile standard gauge railroad will be built from the Western Pacific to the plant site in order that machinery and material may be economically handled. The lands, water rights and the major part of the easements necessary to the consummation of the project are the property of the Great Western Power Company.

The testimony shows that no difficulty will be encountered in securing the release of these properties from the lien of the mortgage of Great Western Power Company.

Applicants in Exhibit "H" estimate the cost of the new power plant and its appurtenances at \$4,321,430.00 and the cost of the transmission line at \$1,736,000.00, making a total of \$6,057,430.00. Though the estimate is not in detail, a preliminary check has been made of it by the Commission's Engineering Department. It appears that the estimate is a liberal one and that the proposed construction can be carried out within the figures named by the company. The tendency of prices for material is downward and the difficulty of securing efficient labor is becoming less. If the plant is built the Commission will expect the construction to be carried on in the most economical manner consistent with the best engineering practice. If in the future the investment in this new plant and transmission line should become of importance in rate or other proceedings, the Commission will not, of course, be bound by the estimated cost as filed in this proceeding or by the amount of stock and bonds herein authorized to be issued, but rather by the actual and reasonable investment in the plant and transmission line.

To finance this construction Western of California asks permission to issue \$6,000,000.00 of 6 per cent 30-year bonds and \$1,500,000.00 of 7 per cent cumulative preferred stock. To effect the sale of the bonds, a financial plan has been presented by applicants which, among other things, calls for the transfer of substantially all of the properties of Great Western Power Company, hereinafter for convenience called the "Western Company", of the City Electric Company, hereinafter for convenience called the "City Company" and of the Consolidated Electric Company, hereinafter for convenience called the "Consolidated Company", subject to the existing indebtedness of these companies, to Western of California; the release of the remaining 55 per cent of the City Company's stock from the lien of the mortgage of the Western Company; the payment of a \$350,000.00 note by the Western of California and the execution of a new mortgage by the Western of California. While the plan refers to the transfer of substantially all of the properties of the Western Company, the City Company and the Consolidated Company, both the petition herein and the testimony show that all of the properties of the Western Company, City Company and Consolidated Company will be transferred to the Western of California. The Commission expects all of these properties to be transferred.

No provision is made for the transfer of the properties of the California Electric Generating Company, hereinafter called for convenience, the "Generating Company", one of the companies constituting the Great Western Power System. The Generating Company owns a 10,500 K. V. A. steam generating plant in Oakland. Its report for the year ending December 31, 1918 shows \$5,000,000.00 of common and \$2,500,000.00 of 6 per cent preferred stock, and \$1,029,000.00 of 5 per cent bonds outstanding. The Western Company owns all of the common stock, except shares necessary to qualify directors. It has guaranteed the payment of dividends on the preferred stock and also the payment of the bonds and the interest thereon. All of the stock and bonds of the Generating Company were issued prior to the

effective date of the Public Utilities Act. The guarantees were likewise executed prior to that date.

The steam plant of the Generating Company is being operated under lease by the Western Company, which agrees to pay annually for the use of the properties an amount equal to the interest on the outstanding bonds, the annual sinking fund payment, the dividend on the preferred stock and the expenses, not exceeding \$1,000.00 incident to the maintenance of the corporate existence of the Generating Company. The annual rental paid by the Western Company for the properties of the Generating Company amounts to approximately \$230,000. per annum. In addition the Western Company agrees to keep the properties in good repair and condition and pay all taxes.

As said, the proposed plan does not contemplate the transfer at this time of properties of the Generating Company to the Western of California. However, by assuming all of the obligations of the Western Company, the Western of California will become liable under the lease and the guarantees.

In response to an inquiry of the presiding Commissioner made at the hearing, Mr. Mortimer Fleishacker, President of Western of California and affiliated companies, and Mr. Guy C. Earl, counsel for applicants, declared that at no time will the Commission be asked in a rate proceeding to segregate the properties of the Generating Company from the other properties constituting the Great Western Power System. If ever called upon to fix rates, the properties now constituting the Great Western Power System may be regarded as a unit. In such a proceeding no special consideration need be given to the lease agreement between the Western Company and the Generating Company. The position of applicants, as announced by these officers in this regard, is a consideration to which considerable importance has been attached. The testimony makes it unnecessary to go into the question of the cost or values of the properties of the Generating Company in this proceeding. The facts of this case show that the

rate payer is not injured by the Western of California assuming either the obligations under the lease or the guarantees.

Of the proceeds from the sale of the \$6,000,000 of its bonds, Western of California intends to advance \$1,650,000 to the Western Company. The Western Company is to deposit the \$1,650,000 with the trustee under its mortgage. Upon receiving the \$1,650,000, the trustee will release from the lien of the mortgage of Western Company, the remaining 55 per cent of the City Company stock, and thereafter permit the Western Company to use the \$1,650,000 to finance the construction of the transmission line referred to above.

It is the construction of this transmission line in which the Commission is primarily interested rather than the machinery employed in releasing the City Company's stock from the lien of the Western Company mortgage, as long as such release creates no prejudicial results. The Commission will insist that the \$1,650,000 be used to finance the construction of the transmission line.

Western of California asks permission to execute a first and refunding mortgage securing the payment of \$150,000,000 of bonds or an unlimited amount of bonds. The Commission has been furnished with a preliminary draft of the proposed mortgage. The bonds are to be issued in series. The rate of interest is to be determined by the Board of Directors at the time it authorizes the creation of any new series. Series "A" shall consist of

\$6,000,000 of 6 per cent 30-year bonds, due March 1, 1949. After the issue of the \$6,000,000 of bonds, additional bonds may be issued in an amount, in par value, not exceeding 80 per cent of the cash cost or fair value of additions, improvements or betterments (including limited amounts of securities with careful restrictions) provided the net earnings of the company and its subsidiaries for twelve consecutive months during the preceding fifteen months, after making proper deductions, including operating expense, taxes, maintenance, renewals, guaranteed interest on the bonds, and dividends on then outstanding preferred stock, of California Electric Generating Company, is not less than 1-3/4 times the combined annual interest charges on the bonds of Great Western Power Company of California and its subsidiaries, determined by taking into account:--

(a) the interest charges upon all indebtedness of the subsidiary companies not owned by the Company; (b) the dividends paid upon all preferred stock of the subsidiary companies not owned by the Company; (c) the interest charges upon all underlying bonds not owned by the Company; (d) the interest charges upon the bonds then outstanding hereunder; (e) the interest charges upon the bonds for the certification and delivery of which hereunder such application is made; it being understood that no bonds shall be considered as outstanding for this purpose so long as they shall be deposited with the Trustee hereunder or held in sinking funds either under this Indenture or under any such underlying mortgage, or mortgage of a subsidiary company.

The new mortgage is also to provide for a cumulative sinking fund. The first payment into this sinking fund is to be made January 1, 1923. On that date, and annually thereafter, there is to be paid on account of the sinking fund an amount equal to $1\frac{1}{2}$ per cent of the bonds outstanding under the new mortgage. Of the sinking fund payments, one-third is to be used to purchase bonds of the Western of California at or below their redemption price, and the other two-thirds is to be used for the purpose of financing new construction or the acquisition of new properties, provided, however, that no additional bonds shall be certified against construction paid for or properties acquired through funds withdrawn from the sinking fund. All sinking fund payments shall be made to the trustee in cash.

The new mortgage is to appropriate a sufficient amount of bonds to redeem, pay or refund the outstanding bonds of Great Western Power Company, City Electric Company, Consolidated Electric Company, California Electric Generating Company, Consumers Light and Power Company and Central Oakland Light and Power Company. While conditional authority is herein granted to execute a mortgage, such authority should not be interpreted as carrying with it the right to issue bonds to pay, redeem or refund outstanding bonds of any company controlled by or which is a subsidiary of Western of California.

The financial plan reported in Exhibit "A" requires the deposit with the trustee under the new mortgage of \$5,000,000 of Western Company and City Company bonds or bonds of subsidiary corporations. The testimony and Exhibit "G" show that Western of California now owns \$479,000 of Western Company and \$986,000 of City Company bonds, or a total of \$1,465,000. In the amended petition herein, Western Company asks permission to issue and sell to Western of California \$2,407,000 and City Company \$1,564,000 of bonds.

In Exhibit "F", Western Company reports that from April, 1914, to December 31, 1918, it expended on public utility properties the sum of \$2,515,622.37, against which the Railroad Commission has never authorized the issue of bonds. Western Company believes that because of this expenditure it is justified at this time to issue \$2,407,000 of bonds. City Company reports an expenditure to December 31, 1918 of \$2,442,681.52. It alleges that because of this expenditure, it is permitted to issue under its deed of trust \$1,564,000 of bonds.

While an appraisal of the properties of the Great Western Power System has been filed with the Commission, the Commission has made no findings on the valuation to date. The appraisal has been checked by the Engineering Department of the Commission, which takes exception not only to the conclusion reached by A.R. Kelley, who prepared the appraisal, but also to his method of procedure. Until the issues of the appraisal are definitely settled, the Commission cannot authorize the issue of any bonds in addition to those applied for herein against the properties referred to in Exhibit "F". Neither can it, under the existing circumstances, authorize the sale of these bonds. It will only permit the bonds, or such an amount thereof as may be necessary, to be used for the purpose of depositing them under the new mortgage to be executed by the Western of California. It is only because the Commission feels that there is urgent need for the

installation of additional hydro-electric plants, and is convinced that if this installation is promptly and economically made it will inure to the benefit of the public as well as to the holders of stocks and bonds of the Great Western Power System, that it is willing at this time to authorize either the Western Company or the City Company to issue the bonds referred to above for the limited purposes mentioned.

The authority herein granted to Western of California, Western Company, City Company or Consolidated Company to issue bonds or sell properties should not be interpreted as an approval in any degree whatsoever of the appraisal of the properties constituting the Great Western Power System filed with the Commission, neither should such authority be interpreted as in any way modifying any former order of the Commission nor the policy of the Commission to base rates on property values rather than on the amount of securities outstanding.

The Commission is asked to approve in general a financial plan set forth in Exhibit "A" attached to the petition herein. Neither copies of the proposed instrument of conveyance nor the final form of the proposed mortgage have been submitted to the Commission. True, a preliminary draft of the mortgage has been filed. What changes, if any, are contemplated in that instrument, the Commission is not advised. Obviously, the Commission cannot approve a financial plan, only part of which is disclosed by the record. The order herein indicates to what extent such plan is approved and the approval thereof is limited to the extent that an affirmative approval is herein given.

✓ Applicants in Exhibit "F-2" submit a consolidated balance sheet of Great Western Power Company of California, Great Western Power Company, City Electric Company, California Electric Company and Consolidated Electric Company, constituting the Great Western Power System, after eliminating inter-company accounts, in which Exhibit "F-2" they report assets and liabilities as follows:

TABLE I.

BALANCE SHEET - EXHIBIT F-2.

ASSETS:

Fixed Capital installed prior to 1/1/13	\$53,635,689.79
Fixed Capital installed since 12/31/12	9,123,290.85
Cash and Deposits - Cash	78,126.51
- Special Deposits	649,085.59
Notes Receivable	96,188.42
Accounts Receivable - System Corporations	34,500.00
- Consumers and Agents	566,120.15
- Miscellaneous	78,226.30
Interest & Dividends Receivable	809.34
Investments - Securities of Other Corporations	544,241.77
- Miscellaneous	518,830.01
Materials & Supplies - Material & Supplies	270,389.12
- Fuel Oil,	14,034.57
- Leased Equipment	28,731.36
Sinking Funds	781.28
Treasury Securities	4,385,800.00
Prepaid Expenses - Rents	605.00
- Taxes	112,048.29
- Insurance	5,163.65
- Other	69,137.68
Unamortized Discount on Securities & Expense	706,969.10
Other Suspense	718.74
Construction Work in Progress - Work Orders	82,705.63
 Total Assets	 \$71,002,193.65

LIABILITIES

Capital Stock - Common	
Great Western Power Co. of California	\$27,500,000.00
- Preferred	
Great Western Power Co. of California	173,684.22
California Electric Generating Company	2,500,000.00
Funded Debt -	
Great Western Power Co. of California	4,835,000.00
Great Western Power Company	24,330,000.00
California Electric Generating Company	1,029,000.00
City Electric Company	2,616,000.00
Consolidated Electric Company	2,075,000.00
Central Oakland Light & Power Company	68,000.00
Consumers Light & Power Company	89,000.00
Notes Payable	709,476.81
Accounts Payable - Audited Vouchers	220,117.89
- Wages Unpaid	24,355.84
- Consumers' Deposits	9,222.49
- Miscellaneous	103,640.12
Interest Accrued	694,299.17
Taxes Accrued	207,099.36
Dividends Declared	71,500.00
Reserve for Accrued Depreciation	406,073.87
Casualty & Insurance Reserves	147,523.90
Income invested since Dec. 31, 1912, in Fixed Capital	104,400.00
Other Reserves from Income or Surplus	32,672.79
Corporate Surplus Unappropriated	3,056,127.19
 Total Liabilities and Surplus ...	 \$71,002,193.65

A segregation of the funded debt reported in Exhibit "G" appears in Table II.; following:-

TABLE NO. II.

FUNDED DEBT OF CORPORATIONS CONSTITUTING GREAT WESTERN POWER SYSTEM - EXHIBIT "G"

NAME OF COMPANY	Funded Debt Reported in Exhibit "F-2" Dec. 31, 1918	SEGREGATION OF FUNDED DEBT EXHIBIT "G" December 31, 1918.				
		In Hands of Public	Owned By Great Western Co. of Cal.	Owned By Great Western Co.	Pledged	In Treasury
Great Western Power Co. of Calif., 6's	\$ 4,835,000	\$ 4,835,000	---	---	---	---
Great Western Power Company - 5's	24,330,000	20,779,000	479,000	---	665,000	2,407,000
City Electric Company - 5's	2,616,000	1,630,000	986,000	---	---	---
Calif. Electric Generating Company-5's	1,029,000	992,000	---	37,000	---	---
Consolidated Electric Company - 5's	2,075,000	1,602,200	---	422,800	---	50,500
Central Oakland Light & Power Co. ^{5's} 5's	68,000	68,000	---	---	---	---
Consumers Light and Power Co. - 6's	89,000	85,000	---	4,000	---	---
T o t a l	\$35,042,000	\$29,991,200	\$1,465,000	\$ 463,300	\$ 665,000	\$ 2,457,500

12.

The consolidated income statement of Great Western Power System, Exhibit "F-1" shows the following revenues and expenses after eliminating inter-company business:-

OPERATING REVENUES:

Electric	\$4,379,398.30	
Other	265,008.96	
Total Operating Revenues		\$4,644,407.26

OPERATING EXPENSES:

Production	575,998.89	
Transmission	94,880.86	
Distribution	202,057.24	
Commercial	152,421.59	
General & Miscellaneous	170,135.61	
Other	210,154.82	
Taxes	357,857.29	
General Amortization of Capital	180,000.00	
Total Operating Expenses		\$1,943,506.30

NET OPERATING REVENUE		\$2,700,900.96
NON-OPERATING REVENUES		57,863.77

GROSS CORPORATE INCOME\$2,758,764.73

Deductions:-

Uncollectible Bills	18,792.41
Non-Operating Revenue Deductions	26,740.29
Interest Accrued on Funded Debt	1,553,629.45
Other Interest Deductions	39,752.78
Rent Deductions	24,432.23
Amortization of Debt Discount and Expense	69,631.26

Total Deductions\$1,732,978.42

NET INCOME\$1,025,786.31

Less Guaranteed Dividends on California Electric Generating Company Preferred Stock\$ 150,000.00

BALANCE\$875,786.31

As indicated above, Western of California intends to issue \$6,000,000.00 of 5 per cent bonds at 88 and accrued interest and \$1,500,000.00 of 7 per cent preferred stock at 90. The annual interest charge on the \$6,000,000.00 of bonds will amount to \$360,000.00 and the dividend, based on \$1,500,000.00 of stock to \$105,000.00, making a total of \$465,000.00 to be added to the annual disbursements of the company for interest and dividends. In 1918, after paying interest and the guaranteed dividend on the \$2,500,000.00 of Generating Company's stock, Great Western Power System reported a surplus of \$875,786.31.

The investment of approximately \$6,000,000.00 in the new plant and transmission line should result in a material increase in the company's net earnings.

I herewith submit the following form or Order:-

here

O R D E R

The Railroad Commission having been asked to make an order, as indicated in the foregoing opinion, a public hearing having been held and the Commission being of the opinion that the money, property or labor to be procured or paid for by the issue and sale of the bonds and stock herein authorized is reasonably required for the purpose or purposes specified in the order and that the expenditures for such purpose or purposes are not in whole or in part reasonably chargeable to operating expenses or to income;

IT IS ORDERED as follows:-

1.-Consolidated Electric Company is hereby granted authority to sell and convey all of its properties to Great Western Power Company and Great Western Power Company is given permission to purchase said properties, provided Great Western Power Company assumes the payment of all of the indebtedness of Consolidated Electric Company and all other obligations of Consolidated Electric Company; and provided further that the authority herein granted shall not be interpreted as a permission to sell and purchase only a part of said properties.

2.-Great Western Power Company is hereby granted authority to sell all of its properties, including the properties of Consolidated Electric Company, to Great Western Power Company of California, and Great Western Power Company of California is given permission to purchase said properties, provided Great Western Power Company of California assumes the payment of all of the indebtedness of Great Western Power Company and all

other obligations of Great Western Power Company; and provided further that the authority herein granted shall not be interpreted as permission to sell and purchase only a part of said properties.

3.- City Electric Company is hereby granted authority to sell all of its properties to Great Western Power Company of California and Great Western Power Company of California is given permission to purchase said properties, provided, Great Western Power Company of California assumes the payment of all of the indebtedness of City Electric Company and all other obligations of City Electric Company; and provided further, that the authority herein granted shall not be interpreted as permission to sell and purchase only a part of said properties.

4.- Great Western Power Company of California is hereby authorized to execute a mortgage, which mortgage shall contain the provisions outlined in the financial plan attached to the petition herein, together with such other provisions as may be hereafter approved by the Railroad Commission, it being understood that prior to the execution of the mortgage a complete copy of said mortgage be submitted to the Railroad Commission for its approval.

5.--Great Western Power Company is hereby authorized to issue \$2,407,000 of its first mortgage 5 per cent bonds and deliver all of the bonds, or so many as may be necessary, to the trustee under the mortgage to be executed by Great Western Power Company of California, said bonds to be held by said trustee, so long as necessary, as collateral security for the payment of the bonds issued by Great Western Power Company of California. Any bonds not deposited with said trustee shall not be pledged, sold or disposed of in any manner without further order of the Railroad Commission.

6.- City Electric Company is hereby authorized to issue \$1,564,000 of bonds and deliver all of said bonds, or so many as may be necessary, to the trustee under the mortgage to be executed by Great Western Power Company of California, said bonds to be held by said trustee, so long as necessary, as collateral security for the payment of the bonds to be issued by Great Western Power Company of California. Any bonds not deposited with said trustee shall not be pledged, sold or disposed of in any manner without further order of the Railroad Commission.

7.- Great Western Power Company of California is hereby authorized to issue \$6,000,000 face value of 6 per cent Series "A" 30-year bonds and \$1,500,000 of 7 per cent preferred stock.

The authority herein granted is upon the following conditions, and not otherwise:

(a).- The \$6,000,000 of bonds which Great Western Power Company of California is herein authorized to issue shall be sold for not less than 88% of their face value plus accrued interest, and the \$1,500,000 of 7 per cent preferred stock at not less than 90% of its par value, said bonds and stock to be sold for cash.

(b).- Applicants shall file with the Commission the serial numbers of all bonds deposited with the trustee under the new mortgage.

(c).- The bonds which Great Western Power Company and City Electric Company are herein authorized to issue, if released by the trustee under the mortgage of Great Western Power Company of California, shall be returned to the treasuries of the Great Western Power Company and City Electric Company respectively, and not thereafter disposed of in any manner without a further order from the Railroad Commission.

(d).-- The proceeds obtained from the sale of the \$6,000,000 of bonds and the \$1,500,000. of preferred stock of Great Western Power Company of California shall be used for the following purposes and no other:--

(i).--The sum of \$350,000 may be used to pay the note due the Bankers Trust Company referred to in exhibits attached to the petition herein.

(ii).--The sum of \$1,650,000. may, if necessary, be deposited with the trustee under the mortgage of the Great Western Power Company to secure the release of 55% of City Electric stock, provided that the \$1,650,000. whether deposited with the said trustee or not, be expended for the purpose of paying for the transmission line referred to in Exhibit "H".

(iii).--The remainder of the proceeds shall be expended for the purpose of paying for the construction of the hydro-electric generating plant and appurtenances described in Exhibit "E".

(e).-- No bonds herein authorized to be issued, shall be issued until the Railroad Commission has approved by supplemental order the proposed mortgage of Great Western Power Company of California, and has been furnished with copies of the proposed instruments of conveyances.

(f).-- The consideration at which the public utility properties are herein authorized to be transferred shall not be considered as a measure of value of said properties before this Commission or any other public body for rate-fixing or any purpose other than that referred to herein.

(g).-- Applicant in this proceeding shall submit to the Commission for approval the book entries of the transfer of the purchase of the properties authorized in this Order.

(h).-- The authority herein granted is not intended to be, nor shall it be interpreted as an approval of the appraisal of any of the properties of the Great Western Power System filed with the Commission,

nor as a finding of value of any of said properties.

- (i).- Within twenty days after the execution by the petitioners herein of instruments of conveyances transferring the properties referred to herein, certified copies of each and every such instrument of conveyance shall be filed with the Railroad Commission by Great Western Power Company of California.
- (j).- The financial plan referred to in Exhibit "A" is approved to the extent indicated in this Order, such approval however being limited to the extent that affirmative approval is herein given.
- (k).- Great Western Power Company, of California, Great Western Power Company and City Electric Company shall keep a true and accurate record of the issue of the stock and bonds herein authorized, and shall on or before the twenty-fifth day of each month until all of such bonds and stock are issued, and the proceeds expended, make a verified report to the Railroad Commission setting forth the fact and date of issue, the par value of stock and bonds issued, the amount received therefor and the disposition of the proceeds thereof, all in accordance with the Railroad Commission's General Order Number 24, which order, in so far as applicable, is made a part of this order.
- (l).- The authority herein granted to issue bonds shall not become effective until the fee prescribed by the Public Utilities Act has been paid.

(m).-- The authority herein granted to transfer properties, issue stock and bonds shall apply only to such properties as may be transferred and to such stock and bonds as may be issued on or before December 31, 1919.

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 10th day of April, 1919.

State of California
Sec# 3500⁰⁰/₁₀₀
JUL 9 1919
H. M. Matheson
Assistant Secretary

Edwin C. Egan
H. D. Loveland
Frank R. Owen
H. V. Brundage
Jerry Martin
Commissioners.