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Decision No. 6408.

BEFORE THE RAILROAD COMMISSION OF  
THE STATE OF CALIFORNIA.

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In the Matter of the Application of )  
ONTARIO POWER COMPANY )  
for an order authorizing the issue ) Application Number 4598.  
of serial gold notes. )

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Glenn D. Smith, for applicant.

LOVELAND, Commissioner.

O P I N I O N.

ONTARIO POWER COMPANY asks permission to issue, at par plus accrued interest, \$12,000 face value of its 7 per cent serial notes. The proceeds from the notes applicant intends to use to pay for machinery, material and labor necessary to complete its hydro-electric power plant No. 2 in San Antonio Canyon.

On July 1, 1918, Decision Number 5535, the Railroad Commission authorized applicant to proceed with the construction of its hydro-electric power plant No. 2 and issue \$60,000 of 7 per cent serial notes to secure funds to pay for such construction. At that time the cost of the plant was estimated at \$64,551. Applicant now reports that because of the increase in the cost of machinery and material, and because of increases in wages paid, the cost of the plant will exceed the original estimate by approximately \$15,000.

Applicant has completed the installation of the diverting

dam and head-works, flow line, penstock, power house building, and has practically completed the installation of the necessary transmission line from its first plant at the mouth of the San Antonio Canyon to the new plant together with the control circuits. It is ready to install the waterwheel and generator as soon as delivered.

The new power plant will have a generating capacity of 500 K.V.A. The annual output of the plant, applicant estimates at not less than 2,500,000 kilo watt hours. The record shows that the operating cost of the new plant will be very low. It will not necessitate the employment of any operators. The operation will be partially automatic and partially motor controlled from applicant's existing power plant. Through the completion of the new plant, it will be possible for applicant to reduce the cost of power purchased from \$15,000 to \$16,000 per annum. Applicant has made arrangements to sell any surplus energy to Southern California Edison Company.

I herewith submit the following form of Order.

O R D E R.

ONTARIO POWER COMPANY having applied to the Railroad Commission for permission to issue \$12,000 of its 7 per cent serial notes, 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 such issue 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 HEREBY ORDERED that ONTARIO POWER COMPANY be, and it is hereby, granted authority to issue on or before October 1, 1919, at not less than par and accrued interest, \$12,000 face value of its 7 per cent serial notes and use the proceeds obtained from the sale of the notes to pay in part for the construction of its hydro-electric power plant Number Two, referred to in the petition herein.

The authority herein granted is subject to the following conditions:

- (1).-- Ontario Power Company shall keep such record of the issue and sale of the serial notes herein authorized and of the disposition of the proceeds, as will enable it to file on or before the twenty-fifth day of each month a verified report as required by the Railroad Commission's General Order Number 24, which order, in so far as applicable, is made a part of this order.
- (2).-- The authority herein granted shall not become effective until applicant has paid the fee prescribed by the Public Utilities Act.

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 12<sup>th</sup> day of June, 1919.

Railroad Commission State of California

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H. M. ...  
BY \_\_\_\_\_

E. W. Edgerton  
H. D. ...  
Frank ...  
H. T. ...

Commissioners.