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Decision No. 8599.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
THE SOUTHERN SIERRAS POWER COMPANY,)
an electrical corporation, for an)
order authorizing the issue and sale)
of \$444,260.80 par value, first and)
refunding mortgage gold bonds, the)
same being additional to the issue)
of \$4,763,538.20 par value of such)
bonds heretofore authorized by the)
Railroad Commission of California.)

Application No. 6283.

Charles F. Potter for applicant.

BRUNDIGE, Commissioner.

O P I N I O N

THE SOUTHERN SIERRAS POWER COMPANY asks permission to issue and sell at not less than 85 per cent of their face value plus accrued interest \$444,260.80 of its 6 per cent first and refunding mortgage gold bonds, payable January 1, 1965, and use the proceeds for the purposes hereinafter indicated.

The testimony shows that The Southern Sierras Power Company has acquired at a cost of \$400,000.00 properties formerly owned by the Mono Power Company. The properties acquired are described by applicant in its Exhibit "A" as follows:

"The East Half ($\frac{1}{2}$) of Section Sixteen (16) in Township Five (5) South, Range Thirty-one (31) East, Mount Diablo Base and Meridian, in Mono County, State of California, together with all water rights of every kind or nature appurtenant or belonging thereto.

"Together with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in any wise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof."

Applicant is engaged in constructing on the properties acquired two hydroelectric generating plants, -one plant known as the Adams Auxiliary Plant, which will use an effective head of about 140 feet and have an installed generating capacity of 2500 kilowatts, and the other plant referred to in the application as the main plant which will have an installed generating capacity of 7500 kilowatts and operate under a head of approximately 400 feet. The cost of the auxiliary plant is estimated at \$197,847.00 and the cost of the main plant at \$642,354.00. The combined installed capacity of the two plants is reported at 10,000 kilowatts, the combined average capacity at 5,466 kilowatts and the combined output at 47,855,000 kilowatt hours.

Up to August 31, 1920, applicant reports an expenditure of \$122,659.77 on the two plants. This amount added to the original purchase price of the properties, -~~\$400,000.00~~ makes a total of \$522,659.77. The \$444,260.80 of bonds which applicant asks permission to issue represents 85 per cent of the \$522,659.77.

The testimony shows that the City of Los Angeles has instituted a proceeding to acquire by condemnation the properties formerly owned by Mono Power Company and now owned by The Southern Sierras Power Company. The city, according to the testimony, recognizes applicant's title to the properties. The properties constitute a relatively small portion of the entire properties of The Southern Sierras Power Company, and should the court finally decide in favor of the city and fix a price less than that paid for the properties by The Southern Sierras Power Company, the loss must be properly recorded and the amount of bonds herein authorized reduced proportionately, or surplus earnings equal to the loss invested in the properties and no securities issued on account of such investment.

I herewith submit the following form of Order.

O R D E R

THE SOUTHERN SIERRAS POWER COMPANY having applied to the Railroad Commission for permission to issue \$444,260.80 face value of its 6 per cent first and refunding mortgage gold bonds, a public hearing having been held and the Railroad Commission being of the opinion that the money, property or labor to be procured or paid for by such issue is reasonably required by applicant, and that the expenditures are not in whole or in part reasonably chargeable to operating expenses or to income;

IT IS HEREBY ORDERED, that THE SOUTHERN SIERRAS POWER COMPANY be, and it is hereby, authorized to issue \$444,260.80 face value of its 6 per cent first and refunding mortgage gold bonds.

The authority herein granted is subject to the following conditions:

- 1.--The bonds herein authorized to be issued shall be sold by applicant for not less than 85 per cent of their face value plus accrued interest.
- 2.--The proceeds realized from the sale of the bonds herein authorized, shall be used by applicant to pay in part for the properties described in Exhibit "A" of applicant's petition, or to pay indebtedness incurred on account of the acquisition of said properties.
- 3.--The authority herein granted shall not be regarded as fixing the value of the properties formerly owned by Mono Power Company and referred to in this application for any purpose other than the issue of the bonds herein permitted.
- 4.--The Southern Sierras Power Company shall keep such record of the issue and sale of the bonds herein authorized and of the disposition of the proceeds as will enable it to file on or before the 25th day of each

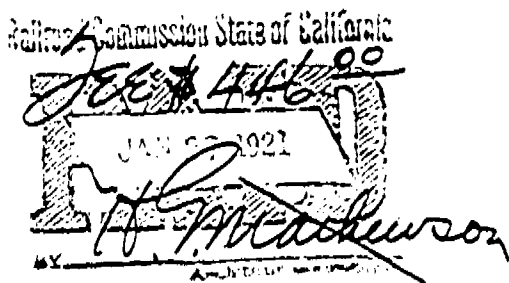
month a verified report, as required by the Railroad Commission's General Order No. 24, which order, in so far as applicable, is made a part of this Order.

5.--The authority herein granted will not become effective until applicant has paid the fee prescribed in the Public Utilities Act.

6.--The authority herein granted will apply only to such bonds as may be issued and sold on or before July 1, 1921.

The foregoing Opinion and Order is 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 26th day of January, 1921.



H. D. Loveland
STAN R. DUBU
H. P. Washburn
Dwight Martin
Commissioners.