

Decision No. 87/3

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 GREAT WESTERN POWER COMPANY OF CALI- )  
 FORNIA for an order authorizing the ) Application No. 6000.  
 execution of a mortgage and the is- )  
 suance of bonds. )

Chaffee E. Hall, for Applicant.

LOVELAND, COMMISSIONER.

FIRST SUPPLEMENTAL OPINION

Great Western Power Company of California in its first supplemental application filed in the above entitled matter, asks permission to issue, pledge and exchange \$2,205,000.00 of its series "B" seven percent first and refunding mortgage bonds.

In the original petition in this proceeding, applicant asked permission to issue and sell \$3,500,000.00 of general mortgage 8 percent 10-year convertible bonds, and to issue and pledge with the trustee under the general mortgage and subsequently to exchange for such general mortgage bonds, \$3,500,000.00 of series "B" first and refunding mortgage bonds. In making its decision (No. 7984, dated August 17, 1920) on the original petition, the Commission authorized applicant to issue and sell the \$3,500,000.00 of general mortgage bonds, but held in abeyance permission to issue the \$3,500,000.00 of series "B" bonds pending a proper showing being made by applicant on which the Commission could predicate an order authorizing the issuance of first and refunding mortgage bonds.

The testimony of Mr. L. A. Reynolds, applicant's auditor and assistant treasurer, shows that applicant, under the provisions of its first and refunding mortgage, is entitled to issue \$2,205,000.00 of series "B" first and refunding bonds, and that the trustee under the first and refunding mortgage has certified bonds to that amount.

The company intends to exchange the Series "B" bonds for a like amount of general mortgage bonds when the latter are called for redemption on the basis of 105 and accrued interest for general mortgage bonds at par and accrued interest. On demand of holders of general mortgage bonds, the Series "B" bonds may be exchanged for general mortgage bonds at 102½ and accrued interest for general mortgage bonds at par and accrued interest. If any such exchange be effected, applicant will pay the premium in cash.

Pending such exchange, the company requests permission to pledge the \$2,205,000.00 of bonds as security, in part, for the \$3,500,000.00 of general mortgage bonds authorized to be issued by Decision No. 7984.

I herewith submit the following form of order.

SECOND SUPPLEMENTAL ORDER

Great Western Power Company of California, having applied to the Railroad Commission for permission to issue, pledge and exchange bonds, a public hearing having been held and the Railroad Commission being of the opinion that the application should be granted,

IT IS HEREBY ORDERED that Great Western Power Company of California be, and it is hereby, authorized to issue \$2,205,000.00 of its Series "B" first and refunding mortgage bonds and to pledge them with the trustee under applicant's general mortgage as se-

curity in part for the \$3,500,000.00 of first mortgage bonds authorized to be issued by Decision No. 7984, dated August 17, 1920.

IT IS HEREBY FURTHER ORDERED that Great Western Power Company of California be, and it is hereby, authorized to sell or to exchange said \$2,205,000.00 of Series "B" bonds, herein authorized, for a like amount of general mortgage bonds, upon the following conditions:

1. The bonds herein authorized to be issued may be exchanged for a like amount of general mortgage bonds when, and as, said general mortgage bonds are called for redemption, on the basis of 105 and accrued interest for general mortgage bonds at par and accrued interest, applicant paying the premium of five percent in cash.
2. The bonds herein authorized may be sold for cash at par, and the proceeds used to purchase a like amount of general mortgage bonds at 105 and accrued interest when, and as, said general mortgage bonds are called for redemption, applicant paying the premium of five percent with moneys derived otherwise than from the sale of said Series "B" bonds.
3. On demand of the holders of general mortgage bonds, at any time after Series "B" bonds have been pledged to the full par value of general mortgage bonds outstanding, the bonds herein authorized may be exchanged on the basis of 102½ and accrued interest, for general mortgage bonds at par and accrued interest, applicant paying the premium of two and one-half percent in cash.
4. Applicant shall keep such records of the issue, pledge

and exchange of the bonds herein authorized, 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 shall not become effective until applicant has paid the fee prescribed by the Public Utilities Act.

The foregoing First Supplemental Opinion and Second Supplemental Order are hereby approved and ordered filed as the Supplemental Opinion and Order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 2<sup>d</sup> day of

*May*  
~~April~~ 1921.

*KMS*

H. J. Loveland  
H. C. Brundage  
David M. ...  
Charles H. ...

Commissioners.

SEE PAID ON ORIGINAL APPLICATION

No. 6000 Section No. 7984

Dated 17 day of Aug 1920

*A. B. Matheson*

Assistant Secretary

Railroad Commission State of California