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Decision No. 9305

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of
THE CALIFORNIA-OREGON POWER COMPANY
for an order of the Railroad Commis-
sion of the State of California auth-
orizing the issuance of bonds, the
execution of a mortgage or deed of
trust to secure the same, and the ex-
ecution and delivery of temporary
certificates to be thereafter ex-
changed for such bonds.

Application Number 6574.

BY THE COMMISSION:

THIRD SUPPLEMENTAL ORDER.

WHEREAS, the Railroad Commission by Decision Number 8731 dated March 10, 1921, as amended, authorized The California-Oregon Power Company, among other things, to issue and sell at not less than 95% of face value, plus accrued interest, \$1,849,000. of interim certificates and to issue in exchange for such interim certificates \$1,849,000. of first and refunding mortgage bonds, subject among others, to the condition that the proceeds from the sale of such bonds be expended only as authorized by the Railroad Commission in a supplemental order or orders; and

WHEREAS, the Railroad Commission by Decision Number 9190, dated June 30, 1921, authorized applicant to use \$824,900. of such proceeds to pay in part floating indebtedness referred to in applicant's first supplemental petition in the above entitled matter; and

WHEREAS, The California-Oregon Power Company reports that it proposes to use the remaining \$932,650. of the proceeds from the sale of said \$1,849,000. of bonds to pay construction expenditures and reorganization expenses as follows:-

1. To complete the Link River Dam and make provisions for storage in the Upper Klamath Lake \$400,000.
2. To install a power plant on Link River to utilize present water rights and provide immediately needed power, approximately 300,000.
3. Additions to, and betterments of the transmission and distribution systems of the company in 1921 estimated at \$300,000.; \$145,000. of which will come from depreciation reserve and sinking fund, approximately 155,000.
4. Engineering and preliminary work at Prospect, and engineering and construction at Copco necessary toward the installation of a second unit in an enlargement of the Copco power station and reorganization expense, approximately 77,650.

and

WHEREAS, applicant reports in its Third Supplemental Petition herein that it has expended during the five months ended May 31, 1921, the sum of \$32,826.17 toward the construction of the Link River Dam, and the sum of \$136,319.71 for additions and betterments to its transmission and distribution system; making a total of \$169,145.88 of construction expenditures for which it now asks permission to reimburse itself through proceeds obtained from the sale of bonds; and

WHEREAS, applicant further asks permission to expend in addition to the \$169,145.88, not exceeding \$150,000. of the proceeds from the sale of the bonds for the payment, in part, of the foregoing expenditures; and

WHEREAS, the reported expenditures have been examined by the engineering department of the Railroad Commission and appear to be proper capital charges, and the Commission being of the opinion

that applicant's request should be granted;

NOW, THEREFORE, IT IS HEREBY ORDERED that the order in Decision Number 8751, dated March 10, 1921, be, and it is hereby, modified so as to permit The California-Oregon Power Company to expend an additional \$319,145.88 of the proceeds realized from the sale of the bonds authorized to be issued and sold, by said decision.

The authority herein granted is subject to conditions as follows:-

1. \$169,145.88 of the proceeds herein authorized to be expended, shall be used by applicant to reimburse its treasury for the construction expenditures made since January 1, 1921 and prior to May 31, 1921 and reported in the Third Supplemental Petition in this proceeding.
2. \$150,000. of the proceeds herein authorized to be expended shall be used by applicant to pay in part the construction expenditures described in this Supplemental Order, provided that in no case shall the money expended out of said \$150,000. exceed the aggregate amount to be expended as hereinabove set forth; and provided further that no moneys shall be used to pay reorganization expenses until a detailed statement thereof has been filed and the payment thereof authorized by the Railroad Commission.
3. Applicant shall file with the Railroad Commission detailed statements showing the purposes for which said \$150,000. was expended.

IT IS HEREBY FURTHER ORDERED that the order in Decision Number 8721 dated March 10, 1921, as amended, shall remain in full force and effect, except as modified by this Third Supplemental Order.

Dated at San Francisco, California, this 30th day of July, 1921.

H. P. Dandridge
H. P. Dandridge
Dwight Martin

Commissioners