

Decision No. 27901

RECORDED  
INDEXED

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 ) Application No. 19814  
of \$384,000.00 par value first and re- )  
funding mortgage bonds. )

J. S. Bordwell, for applicant.

BY THE COMMISSION:

O P I N I O N

In this application The Southern Sierras Power Company asks permission to issue and sell at not less than 90% of their face value and accrued interest \$384,000.00 of 6% first and refunding mortgage bonds due January 1, 1965, and use the proceeds to reimburse its treasury and pay indebtedness.

It is of record that applicant has under the authority granted by the Commission issued \$18,373,000.00 of first and refunding mortgage bonds. It has redeemed \$1,823,000.00 of such bonds, leaving \$16,550,000.00 outstanding.

J. S. Bordwell testified that applicant from October 1, 1931 to February 28, 1934 expended for additions and betterments the net sum of \$451,784.08. It is against this expenditure that applicant asks permission to issue the \$384,000.00 of bonds. Construction expenditures subsequent to February 28, 1934 are being paid for through the use of proceeds realized from the sale of property to the City of Los Angeles. It appears, however, that it cannot use such proceeds to pay for any properties installed prior

to February 28, 1934.

The company under its mortgage has the option to redeem its bonds upon payment of the principal, accrued interest and a premium of 3% upon the principal thereof upon any semi-annual interest date and upon giving 60 days notice, as provided in the mortgage.

In view of the fact that applicant cannot use the proceeds from the sale of property to finance its additions and betterments installed prior to February 28, 1934, we feel that it should be permitted to issue the \$384,000.00 of bonds. These bonds should, however, be sold at par and accrued interest. The bonds will be purchased by Nevada California Electric Corporation and the proceeds used to pay debts due that company.

ORDER

The Southern Sierras Power Company having applied to the Railroad Commission for permission to issue \$384,000.00 of 6% first and refunding mortgage bonds, due January 1, 1965, a public hearing having been held before Examiner Fankhauser 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 by applicant for the purposes herein stated and that the expenditures for such purposes are not in whole or in part reasonably chargeable to operating expenses or to income, and that this application should be granted, as herein provided, therefore,

IT IS HEREBY ORDERED that The Southern Sierras Power Company be, and it is hereby, authorized to issue and sell on or before June 30, 1935 at not less than par and accrued interest, \$384,000.00 of its first and refunding mortgage 6% bonds due January 1, 1965 and use the proceeds realized from the sale of such bonds to reimburse

its treasury on account of income expended for additions and betterments and thereafter to pay indebtedness due Nevada California Electric Corporation.

IT IS HEREBY FURTHER ORDERED that within thirty(30) days after the issue of the bonds herein authorized, The Southern Sierras Power Company shall file with the Railroad Commission a report such as is required by the Commission's General Order No. 24, which order insofar as applicable, is made a part of this order.

IT IS HEREBY FURTHER ORDERED that the authority herein granted will become effective when applicant has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is Three Hundred and Eighty-four(\$384.00) Dollars.

DATED at San Francisco, California, this 22nd day of April, 1935.

Leon A. Whittell  
W. B. Lewis  
W. H. ...  
Frank ...

Commissioners.

