

Decision No. 28581

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: )

(a) The execution of a Refunding Mort- )  
gage covering all of its presently )  
owned and hereafter acquired proper- )  
ties; (b) the issue and sale of )  
\$4,000,000. Refunding Mortgage Gold )  
Bonds, 5% Series Due 1961, or pledge )  
thereof to secure one-year promissory )  
notes; (c) the issue and sale of )  
\$3,000,000. Five and One-Half Percent. )  
Gold Debentures; (d) the issue and )  
sale of \$500,000. par value Six Per )  
cent. Preferred Stock, Series of 1927; )  
(e) the sale of \$500,000. par value )  
Six Per cent. Preferred Stock, Series )  
of 1927, at a price differing from )  
that provided in Decision 23954; (f) )  
the issue and sale of 36,240 shares )  
of Common Stock without par value. )

Application No. 17692

ORIGINAL

BY THE COMMISSION:

FIFTH SUPPLEMENTAL ORDER

The Commission by Decision No. 24814 dated May 25, 1932, as amended by Decision No. 24853 dated June 13, 1932, authorized The California Oregon Power Company to issue \$4,000,000. of refunding mortgage gold bonds, 6½% Series due 1942, and for the purpose of converting said bonds, issue and deliver to the trustee under its refunding mortgage, its refunding mortgage gold bonds, 6% Series due 1962, in such amount as may be required for the conversion of the said 6½% Series due 1942 bonds, into said 6% Series due 1962 bonds, on a par for par basis, plus the payment by the company of \$50.00 in cash for every \$1,000. 6½% Series due 1942 bonds the holder thereof desires to convert into a 6% Series due 1962 bond. Said Decision No. 24853 dated June 13, 1932 authorizes The Califor-

nia Oregon Power Company to pay the said \$50. in cash for every \$1,000. bond converted, and recites that Standard Gas and Electric Company had agreed to purchase applicant's common stock to provide applicant with the cash necessary to carry out said conversion of bonds.

In a supplemental petition filed March 7, 1936, in the above entitled proceeding applicant reports that on September 27, 1935 the District Court of the United States for the District of Delaware approved, as properly filed, the petition of Standard Gas and Electric Company for reorganization under Section 77B of the Bankruptcy Act. The court by its orders has permitted the company to continue in possession of its business and property. In said supplemental petition it is also reported that Standard Gas and Electric Company has not filed a notification of registration with the Securities and Exchange Commission under Title I of the Public Utility Holding Company Act of 1935, and that it is seeking to enjoin the enforcement of Title I of said act against Standard Gas and Electric Company.

The California Oregon Power Company has filed with the Railroad Commission Application No. 20405 in which it asks permission to issue \$13,500,000. of first mortgage 4% bonds to redeem all of its outstanding bonds and \$1,500,000. of its outstanding 5½% debentures. The bonds now outstanding in the hands of the public consist of \$4,038,900. of 6% Series B first and refunding mortgage gold bonds; \$2,436,900. of 5½% Series C first and refunding mortgage gold bonds and \$4,000,000. of 6½% refunding mortgage gold bonds convertible into 6% refunding mortgage gold bonds on a par for par basis plus \$50. in cash for every \$1,000. bond. Through the refunding of its outstanding bonds the company will save in excess of \$200,000. in annual interest charges. In order that it may proceed with the refunding operation and not default under its refunding mortgage, applicant asks the Com-

mission to amend Decision No. 24814 dated May 25, 1932, as amended by Decision No. 24853 dated June 13, 1932. Subject to obtaining approval of the District Court of United States in and for the District of Delaware in the proceedings under Section 77B of the Bankruptcy Act mentioned above, the Standard Gas and Electric Company has expressed its willingness at this time to advance to applicant on open account without interest the sum of \$200,000., or such part thereof as may be necessary to make the payments upon the conversion of its Refunding Mortgage Gold Bonds, 6½% Series due 1942. We have no objection to amending said Decision No. 24814, as amended by said Decision No. 24853 so as to relieve Standard Gas and Electric Company from purchasing common stock of applicant to provide it with said \$200,000., or so much thereof as it may need, provided that the advance which Standard Gas and Electric Company will make, will be paid only from funds available for the payment of dividends on common stock or from funds that can otherwise be paid to holders of common stock. Pending the approval of the advance by the District Court, applicant requests that it be permitted to make the payments necessary to effect the conversion of its 6½% bonds out of its current funds.

We have considered applicant's requests and believe that this is not a matter on which a hearing is necessary and that said Decision No. 24814, dated May 25, 1932, and said Decision No. 24853, dated June 13, 1932, should be amended as herein provided, therefore,

IT IS HEREBY ORDERED that said Decision No. 24814, dated May 25, 1932, and said Decision No. 24853, dated June 13, 1932, be, and they are hereby, amended so as to permit The California Oregon Power Company to receive from Standard Gas and Electric Company \$200,000., or so much as may be necessary to convert its said 6½% refunding mortgage gold bonds into said 6% refunding mortgage gold bonds and record said \$200,000. or any part thereof on its books as an open account indebtedness, provided that no interest shall be paid on said \$200,000., or

any part thereof, at a rate in excess of the rate of dividends paid on applicant's common stock, nor any payments made on the principal, except out of funds available for dividends on common stock or from funds that can otherwise be paid to holders of common stock; and provided further that pending the approval of the said advance of \$200,000., or such part as The California Oregon Power Company may need for the aforesaid purposes, by the District Court of the United States in and for the District of Delaware, in the proceedings under Section 77B of the Bankruptcy Act mentioned above, if such approval is necessary, The California Oregon Power Company may, out of its current funds, meet the payments necessary to effect the conversion of said ~~6 1/2%~~ refunding mortgage gold bonds into said 6% refunding mortgage gold bonds.

IT IS HEREBY FURTHER ORDERED that The California Oregon Power Company shall file a report showing the amount of money it has received from Standard Gas and Electric Company for the aforesaid purposes, such report to be filed on or before June 30, 1936.

DATED at San Francisco, California, this 16<sup>th</sup> day of March, 1936.

M B Harris  
Leon A. ...  
M. F. ...  
B. ...

Commissioners.