

ORIGINAL

Decision No. 41071

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
	:	
THE CALIFORNIA OREGON POWER COMPANY)	Application
	:	No. 28562
for an order authorizing the execution)	(First Supplemental)
of notes under a Credit Agreement.	:	
-----)	

FIRST SUPPLEMENTAL OPINION AND ORDER

Pursuant to the authority granted by Decision No. 40493, dated July 8, 1947, The California Oregon Power Company on July 11, 1947, entered into a credit agreement with The Chase National Bank of the City of New York, American Trust Company, Harris Trust and Savings Bank and The Commercial National Bank and Trust Company of New York whereby said banks, among other things, agreed to lend to applicant, on or before December 31, 1949, an aggregate amount of \$9,000,000. The agreement provides that as moneys are borrowed applicant will issue its promissory notes to said banks to represent such borrowings.

By Decision No. 40493, dated July 8, 1947, in the above entitled matter, the Commission authorized the company to issue \$4,500,000 of 2-3/4% notes, due December 31, 1950, representing borrowings made under said credit agreement for the purpose of paying indebtedness, of providing working capital, of reimbursing its treasury and of financing, in part, construction expenditures during 1947. By said Decision No. 40493, the Commission found that the execution of the credit agreement and the issue of notes thereunder should be exempt from the provisions of Decision No.

38614, dated January 15, 1946, relating to competitive bidding.

The company now reports that it desires to draw down additional funds under the credit agreement and it asks for an order authorizing it to issue, on or before December 31, 1948, not exceeding \$2,700,000 of notes for the purpose of reimbursing its treasury and of financing in part its construction costs during the remainder of 1947 and during 1948. In its first supplemental application filed in this proceeding, it alleges that its expenditures during the period from January 1 to October 31, 1947, for additions to its properties and for refunding securities exceeded by \$262,973.96 the principal amount of securities issued for such purposes and it estimates its net construction expenditures for the last two months of 1947 at \$450,000 and for the twelve months of 1948 at \$2,634,326, the three items, all exclusive of expenditures on its Toketee Falls Hydro Project, aggregating \$3,347,299.96. Attached to the supplemental application are statements showing the major classifications of the estimated expenditures.

The Commission has considered this matter and is of the opinion that a public hearing is not necessary, that the request of applicant should be granted, as herein provided, that the issue of said \$2,700,000 of notes is reasonably required by The California Oregon Power Company for the purposes specified herein, which purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income, therefore,

IT IS HEREBY ORDERED as follows:

1. The California Oregon Power Company, after the effective date hereof and on or before December 31, 1948, may

issue not exceeding \$2,700,000 principal amount of promissory notes due December 31, 1950, and bearing interest at the rate of 2-3/4% per annum or 1% above the discount rate of the Federal Reserve Bank of New York for the discount of eligible commercial paper, whichever is greater, but in no event greater than 3-1/4% per annum, as more specifically set forth in the credit agreement of July 11, 1947, and use the proceeds to reimburse its treasury to the extent of \$262,973.96 for moneys expended from income for the purpose of paying for additions to its properties and of refunding securities prior to November 1, 1947, and to finance in part its estimated net construction expenditures during November and December, 1947, and during the year 1948.

2. Applicant shall file with the Commission monthly reports of the issue of the notes herein authorized and of the disposition of the proceeds, such reports to be filed on or before the 25th day of each month covering transactions during the preceding calendar month.

3. 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 one thousand eight hundred fifty (\$1,850.00) dollars.

Dated at San Francisco, California, this 22nd day
of December, 1947.

Harold Hule
Justice J. Casner
Earl Powell
R. J. [unclear]

Commissioners

PUBLIC UTILITIES COMMISSION
 STATE OF CALIFORNIA

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By: [Signature]