

ORIGINAL

Decision No. ~~45187~~

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
THE CALIFORNIA OREGON POWER COMPANY)	
for an order authorizing the execution)	Application
of an amendment to its Credit Agree-)	No. 31974
ment and the issuance of notes pur-)	
suant thereto.)	
-----)	

OPINION

The California Oregon Power Company, under authority granted by Decision No. 43637, dated December 20, 1949, executed an agreement with a group of banks providing for a total credit of \$11,000,000, to be drawn down by successive borrowings on or prior to January 1, 1951.⁽¹⁾ In this proceeding, applicant reports that it desires to make additional bank borrowings, and accordingly proposes, and now asks permission, to enter into an agreement with the several banks, which are parties to the present credit agreement, so as to extend the aggregate amount of the authorized borrowings from \$11,000,000 to \$13,200,000, the increase of \$2,200,000 to be available to applicant up to and including January 31, 1951, and to be represented by a note, or notes, due July 1, 1951, and bearing interest at the rate of 2-1/4% per annum.

Applicant proposes to use the additional bank borrowings to reimburse its treasury for capital expenditures not previously financed and to meet, in part, estimated construction expenditures

(1) Applicant reports that it has borrowed \$8,800,000 of the total amount and that it expects to avail itself of the remainder of the authorized credit by the end of 1950.

during the remainder of 1950 and during 1951. It reports that between January 1, 1947, and October 31, 1950, it has made net additions to property in the aggregate amount of \$23,764,096.22 and has retired notes and preferred stock of the aggregate par value of \$27,876,100, making total expenditures of \$51,640,196.22, against which it has issued bonds, notes and shares of common and preferred stock of the aggregate amount of \$50,700,000. In addition, it estimates that during the last three months of 1950 its net expenditures will aggregate \$2,095,324 and during the first three months of 1951 they will aggregate \$2,335,000.

In financing permanently the cost of its properties, it has been applicant's practice to issue bonds and shares of preferred and common stock. Its capital structure as of October 31, 1950, excluding short-term bank loans, according to its balance sheet filed as Exhibit A, was as follows:

	<u>Amount</u>	<u>% of Total</u>
Bonds	\$25,000,000	49%
Preferred stock	7,416,600	15
Equity capital	<u>18,411,014</u>	<u>36</u>
Total	<u>\$50,827,614</u>	<u>100%</u>

Applicant intends to refund the note, or notes, it now proposes to issue, as well as those presently outstanding, through the issue of permanent securities at as early a date in the spring of 1951 as market conditions will permit.

A review of the present application shows that applicant will have need for the funds to be obtained through the issue of the additional note, or notes, for the purposes set forth in the application. An order will be entered authorizing it to execute the proposed amendment. Because the proposed note, or notes, by the terms

thereof, will be payable within twelve months after the date of issue, applicant may so issue them without an order from the Commission.

In line with applicant's request, the authority herein granted will become effective upon the date hereof so as to permit applicant to execute the amendment forthwith.

O R D E R

The Commission having considered the above entitled matter, and being of the opinion that a public hearing thereon is not necessary; and that the application should be granted, as herein provided; therefore,

IT IS HEREBY ORDERED as follows:

1. The California Oregon Power Company, after the date hereof and on or before January 31, 1951, may execute an amendment to its credit agreement, in substantially the same form as that filed in this proceeding as Exhibit B.
2. Within thirty (30) days after the execution of said amendment, applicant shall file a copy thereof with the Commission.
3. The authority herein granted will become effective upon the date hereof.

Dated at San Francisco, California, this 27th day of December, 1950.

R. J. Anderson
Justice J. Cooper
W. S. Powell

Herbert P. Potter
Commissioners