

Decision No. 47531

ORIGINAL

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
of an amendment to Credit Agreement.

Application
No. 33590

O P I N I O N

Under authority granted by Decision No. 45692, dated May 15, 1951, The California Oregon Power Company executed an agreement with a group of banks providing for a total credit of \$12,000,000, to be drawn down by successive borrowings on or prior to December 31, 1952. 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 \$12,000,000 to \$14,000,000, the increase of \$2,000,000 to be available to applicant up to and including December 31, 1952, and to be represented by a note, or notes, due June 30, 1953, and bearing interest at the rate of 3-1/8% per annum.

Applicant proposes to use the additional bank borrowings to reimburse its treasury for capital expenditures not previously financed. It reports that as of July 31, 1952, its capital expenditures for net additions for which its treasury will not have been reimbursed through the issue of securities will be approximately \$4,580,000.

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 May 31, 1952, 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	\$31,000,000	49%
Preferred stock	7,416,600	12
Equity capital	25,179,764	39
	<u>\$63,596,364</u>	<u>100%</u>

Applicant intends to refund the \$12,000,000 of promissory notes issued under the original credit agreement through the issue of permanent securities in the fall of 1952. Applicant also advises that inasmuch as its construction program is continuing it expects to execute a further credit agreement with the banks in the fall of 1952 and to refund from notes issued pursuant to such credit agreement the \$2,000,000 of promissory notes referred to in this application.

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 December 31, 1952, 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 5th day of August 1952.

[Signature]
President

Justus J. Casper
[Signature]
Commissioners

[Signature]
[Signature]
Commissioners