

Decision No. 47781

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 SIERRA PACIFIC POWER COMPANY)
 for an order authorizing it (a) to)
 execute a Supplemental Indenture and)
 issue and sell thereunder \$1,500,000)
 principal amount of a new series of)
 its First Mortgage Bonds, and (b) to)
 issue and sell 26,775 additional shares :
 of its common stock, \$15 par value.)
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Application
 No. 33619
 (First Supplemental)

FIRST SUPPLEMENTAL ORDER

On July 29, 1952, Sierra Pacific Power Company filed the above entitled application for authorization to issue \$1,500,000 in principal amount of first mortgage bonds, exempt from competitive bidding, and to issue and sell 26,775 shares of common stock, of the par value of \$15 each and of the aggregate par value of \$401,625.

A public hearing was held on August 12, 1952, at which time evidence was taken with respect to applicant's proposed plans for disposing of its securities and to the purposes for which it intended to apply the proceeds. Following the hearing the Commission entered its Decision No. 47590, dated August 19, 1952, exempting the proposed issue of bonds from competitive bidding but holding in abeyance the request to issue and sell said bonds and the shares of stock pending the filing of a supplemental application, or applications, setting forth the terms and the prices.

In a first supplemental application presented to the Commission on October 6, 1952, applicant reports that it proposes to offer, to the holders of its outstanding shares of preferred and

common stock, rights to subscribe for the 26,775 additional shares of common stock at the subscription price of \$23.00 a share, such rights to be evidenced by subscription warrants, and to issue and sell to underwriters, at the same price, such of said shares as are not subscribed for pursuant to said subscription rights.

The Commission has considered this matter and is of the opinion that a further hearing is not necessary; that the money, property or labor to be procured or paid for by the issue of said 26,775 shares of common stock is reasonably required by applicant for the purposes specified herein; and that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

1. Sierra Pacific Power Company may issue to the holders of its preferred and common stock transferable warrants evidencing the right to subscribe to 26,775 additional shares of applicant's common stock at said subscription price of \$23.00 a share.
2. Sierra Pacific Power Company, on and after the date hereof and on or before December 31, 1952, may issue and sell, at said subscription price, such of the 26,775 additional shares of common stock as are subscribed for pursuant to such subscription rights and may issue and sell to underwriters, at said subscription price, such of the 26,775 shares as are not subscribed for pursuant to said subscription rights.
3. Sierra Pacific Power Company shall use the proceeds from the sale of said 26,775 shares of common stock to pay outstanding indebtedness, to reimburse its treasury and to finance, in part, the cost of additions and betterments to its plants and properties.

4. On or before January 31, 1953, Sierra Pacific Power Company shall file with the Commission a report showing the number of shares issued to stockholders pursuant to the exercise of their subscription rights and the number of shares sold to underwriters and others, together with a statement showing the total amount received and the purposes for which the proceeds were used.

5. The authority herein granted will become effective upon the date hereof.

Dated at San Francisco, California, this 6th day of October, 1952.

Q. J. [Signature]
President

Justice F. Casner
Francis J. [Signature]
John E. [Signature]

Commissioners