

Decision No. 48840

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 a Credit Agreement. :
-----)

Application
No. 34512

O P I N I O N

This is an application for an order authorizing The California Oregon Power Company to enter into an agreement with The Chase National Bank of the City of New York, American Trust Company, Harris Trust and Savings Bank and First National Bank of Portland providing for a line of credit up to \$7,000,000. The borrowings under the agreement will be represented by notes maturing on April 1, 1954, with interest at the rate of 3½% per annum.

Applicant states that the continuing growth in its service area has required, and will require, substantial expenditures for additional facilities, that as of May 31, 1953, its net additions and betterments for which it had not been reimbursed through the issue of securities amounted to \$4,190,102, and that it will be called upon to expend \$9,814,000 during the period from May 31, 1953, to February 28, 1954. Applicant reports that during 1951 there were 3,571 new customers added to its lines and during 1952, 2,994 new customers and it estimates 2,800 new customers will be added during 1953. It believes that the demand for its service will require it to expend approximately \$15,000,000 a year for new construction during the next five years.

In financing construction costs during the past several years, it has been applicant's practice to make periodic borrowings under credit agreements with banks and from time to time to refund such borrowings through the sale of bonds and common stock. Applicant reports that presently it is contemplating permanent financing in the early part of 1954 to pay the notes to be issued under the proposed credit agreement and notes which it has outstanding at this time.

A review of the application shows that applicant will have need for the funds to be obtained through the issue of the additional notes for the purpose of reimbursing its treasury and of financing its construction costs. An order will be entered authorizing it to execute the proposed agreement. Because the notes to be issued under the agreement by their terms will be payable within 12 months after their dates, applicant may issue them without authorization from the Commission.

It appears that applicant desires to proceed with its program forthwith and has requested the Commission, if it approves this application, to make its order effective on its date. This request will be granted.

O R D E R

The Commission having considered the above entitled matter, and being of the opinion that a public hearing 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, on and after the date hereof and on or before December 31, 1953, may execute a credit agreement in substantially the same form as that filed in this proceeding as Exhibit C.

2. Within 30 days after the execution of said agreement, applicant shall file two copies thereof with the Commission.

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

Dated at San Francisco, California, this 21st day of July, 1953.

R. F. Anderson
President

James J. Cahill
Harold K. Hale

Samuel H. Pettit

Commissioners