

Decision No. 49003**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of	)	
	:	
SIERRA PACIFIC POWER COMPANY	)	Application
	:	No. 34651
for an order authorizing it to issue	)	
its unsecured promissory notes.	:	
-----	)	

OPINION AND ORDER

This is an application for an order of the Commission authorizing Sierra Pacific Power Company to issue notes in the principal amount of not exceeding \$1,000,000 for the purpose of refunding outstanding indebtedness and of financing the cost of construction. The proposed notes will mature not later than December 31, 1954, and will bear interest at a rate per annum not in excess of 1/4 of 1% over the prime rate in effect at the time of issue.

From a review of this proceeding it appears that applicant, in order to meet construction costs, heretofore issued and now has outstanding \$600,000 in principal amount of 3 1/4% six-months notes payable to various banks, and that it now desires authorization to refund such notes and to borrow, prior to the end of 1953, an additional amount of \$400,000. It reports that it intends to refinance its bank borrowings through the issue of permanent securities during the latter part of next year, this matter, however, not being before us at this time.<sup>1/</sup>

<sup>1/</sup> Applicant's financial report shows outstanding balances as of June 30, 1953, as follows:

First mortgage bonds	\$ 8,975,000	44.3%
Debentures	2,446,000	12.0
Preferred stock	3,500,000	17.3
Common stock equity	5,342,464	26.4
Total	<u>\$20,263,464</u>	<u>100.0%</u>

Information on file with the Commission shows that as of June 30, 1953, applicant's investment in its utility plant amounted to \$24,188,239.07 with accumulated depreciation reserves of \$2,802,943.66, and that it estimated capital expenditures between July 1, 1953, and December 31, 1954, will amount to \$4,207,950.

We have reviewed applicant's present request to engage in temporary financing and are of the opinion that a public hearing is not necessary, that the money, property or labor to be procured or paid for by the issue of the notes herein authorized is reasonably required for the purposes specified herein, that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income, and that the application should be granted; therefore,

IT IS HEREBY ORDERED as follows:

1. Sierra Pacific Power Company may issue, on or before December 31, 1953, not to exceed \$1,000,000 in principal amount of promissory notes, upon the terms and conditions and for the purposes set forth in this application.

2. Applicant shall file with the Commission monthly reports as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

3. The authority herein granted will become effective when applicant has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$1,000.00.

Dated at San Francisco, California, this 25th day of August, 1953.

[Signature]  
President

[Signature]  
[Signature]

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Commissioners

