

ORIGINAL

Decision No. 53019

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 issuance)
 and sale of 70,000 shares of preferred)
 stock and \$16,000,000 principal amount)
 of bonds, and the execution of a Sixth)
 Supplemental Indenture; and exempting)
 from the Commission's competitive)
 bidding rule the issuance and sale of)
 said preferred stock.)
 -----)

Application
 No. 37772
 (Second Supplemental)

SECOND SUPPLEMENTAL ORDER

By Decision No. 52808, dated March 27, 1956, the Commission authorized The California Oregon Power Company to issue and sell \$16,000,000 of bonds at competitive bidding. The decision also authorized the issue of \$7,000,000 par value of preferred stock.

The original application, upon which said decision was based, contemplated an initial premium upon optional redemption of the bonds of 3% of the principal amount. Applicant now reports that under existing bond market conditions it has found it necessary to increase this initial premium from 3% to 4% and it has asked the Commission to approve the issue and sale of the bonds under the terms described in its original application as amended in this respect.

The Commission's decision authorized the company to use the proceeds to be received from the sale of said bonds, exclusive of accrued interest, for the purpose of paying outstanding notes. Applicant now requests a slight modification of this authorization

so as to provide for the use of proceeds from the sale of bonds, up to \$16,100,000, to pay outstanding notes, and if such proceeds exceed that amount, to use them to reimburse the treasury.

The Commission has given consideration to these requests and is of the opinion that they should be granted; therefore,

IT IS HEREBY ORDERED as follows:

1. The California Oregon Power Company may issue and sell the \$16,000,000 of bonds authorized by Decision No. 52808, dated March 27, 1956, under the terms described in the original application in this proceeding, as amended to provide for an initial premium upon optional redemption of 4% of the principal amount of said bonds.

2. Ordering paragraph 4 of the order in said Decision No. 52808 hereby is amended so as to permit The California Oregon Power Company to use all of the proceeds from the sale of the \$7,000,000 par value of preferred stock authorized therein for the purpose of paying outstanding notes and to use up to \$16,100,000 of the proceeds to be received from the sale of its First Mortgage Bonds for the purpose of paying outstanding notes and, if such proceeds shall exceed said amount, to use such excess for the purpose of reimbursing its treasury for capital expenditures made prior to April 30, 1956.

3. This second supplemental order is effective on the date hereof.

Dated at San Francisco, California this 9th day of May, 1956.

[Signature]
President

[Signature]

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Commissioners