

Decision No. 53055

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 to issue and sell (a) 80,500 shares of New Preferred Stock, and (b) 62,576 shares of Common Stock, \$7.50 par value.

Application
No. 37896
(First Supplemental)

FIRST SUPPLEMENTAL ORDER

By Decision No. 53023, dated May 8, 1956, the Commission entered an order indicating tentative approval of Sierra Pacific Power Company's refinancing plan to replace 6% preferred stock with a lower dividend rate preferred and authorizing the company to offer 80,500 shares of a new series of \$50 par value stock to the holders of its presently outstanding 6% stock, \$100 par value, redeemable at \$115, in exchange on the basis of 2.3 shares of new stock for each share of 6% stock, the authorization thus granted being of a preliminary nature subject to the subsequent filing of a supplemental application setting forth the dividend rate, the public offering price, and underwriting terms for the disposal of the unexchanged shares. The application set forth that the company was negotiating with underwriters for the sale of such shares as might not be taken by the shareholders.

Applicant has filed the required supplemental application. It reports that the dividend rate will be \$2.44 per annum, that the price to be paid by the underwriters for unexchanged shares will be \$50.00 per share plus accrued dividends, if any, to the date of

delivery, that the price to the public of the unexchanged shares will be \$50.00 per share, plus accrued dividends, and that, as compensation, applicant will pay the underwriters \$24,150, which is equivalent to 30¢ a share, and will pay soliciting dealers (including the underwriters) the sum of 65¢ a share for each share of 6% stock deposited, in exchange, upon solicitation, as set forth in the supplemental application.

The Commission has considered this matter and is of the opinion that a final order should issue; therefore,

IT IS HEREBY ORDERED as follows:

1. Sierra Pacific Power Company is authorized to issue such of said 80,500 shares of New Preferred Stock referred to in Decision No. 53023, dated May 8, 1956, as are required to effect exchanges for applicant's 6% preferred stock, and to issue and sell to underwriters the unexchanged New Preferred Stock at the price and upon the terms and for the purposes set forth in the application and in the first supplemental application on file in this proceeding.

2. This first supplemental order will become effective on the date hereof.

Dated at Los Angeles, California, this 15th day of May, 1956.

[Signature]
President

[Signature]

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Commissioners