

ORIGINAL

Decision No. 59053

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
THE CALIFORNIA OREGON POWER COMPANY)	Application No. 39453
for an order authorizing the execution)	(First Supplemental)
of a Credit Agreement and the issuance)	
of notes pursuant thereto.)	

FIRST SUPPLEMENTAL ORDER

By Decision No. 55732, dated October 28, 1957, the Commission authorized The California Oregon Power Company to execute a credit agreement with certain banks and to issue on or before November 1, 1959, its promissory notes in the aggregate principal amount of not to exceed \$12,000,000. Under the terms of the agreement the notes are payable on May 1, 1960, with interest at the rate of 1/4 of 1% above the prime commercial rate of The Chase Manhattan Bank from time to time in effect.

In a first supplemental application filed on September 2, 1959, the company reports that because of the employment of a larger amount of internal funds than originally was anticipated, it has borrowed only \$9,000,000 under the credit it has established. It intends, however, to utilize the remaining \$3,000,000 and it proposes to enter into a supplemental agreement extending for a period of one year, that is, from November 1, 1959 to November 1, 1960, the period within which it might draw down money, and extending the maturity date for the \$9,000,000 of notes outstanding, and the \$3,000,000 of notes proposed to be issued, for a period of 18 months from May 1, 1960 to November 1, 1961.

Applicant asserts it has made capital expenditures in excess of \$23,000,000 for which its treasury has not been reimbursed and it estimates its net expenditures for additions and betterments for the period from August 1, 1959, to October 31, 1960, will approximate \$10,000,000. If authorized to execute the supplemental agreement it proposes to use the remaining \$3,000,000, as new construction funds are needed, and to apply the same to the reimbursement of its treasury.

The Commission has given consideration to this first supplemental application and is 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 remaining \$3,000,000 of notes is reasonably required for the purpose specified herein and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

1. The California Oregon Power Company on or after the effective date hereof and on or before December 31, 1959, may execute a supplemental agreement in, or substantially in, the same form as that filed with its first supplemental application in this proceeding as Exhibit C.
2. The California Oregon Power Company, pursuant to the terms of said supplemental agreement, may extend to November 1, 1961, the maturity date of the \$9,000,000 of notes presently outstanding and may issue the remaining \$3,000,000 of notes at any time, or from time to time, on or before November 1, 1960, with a maturity date of November 1, 1961, in accordance with the terms of the original credit agreement and the supplemental agreement.

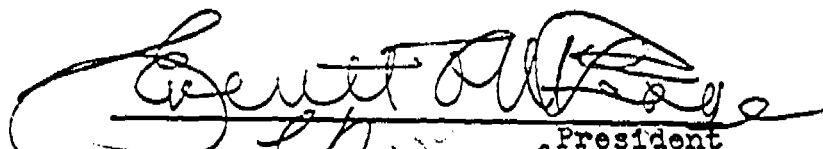
3. The California Oregon Power Company shall use the proceeds from the issue of said \$3,000,000 of notes for the purpose set forth in said first supplemental application.


4. The California Oregon Power Company shall file a report, or reports, as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

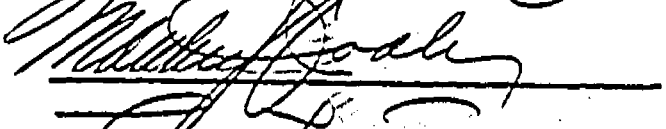
5. The authorization herein granted is for the execution of an agreement and the issue of notes and is not to be construed as indicative of amounts to be included in a future rate base for the purpose of determining just and reasonable rates.

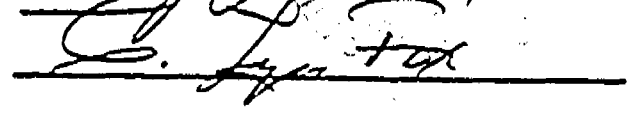
6. The authorization herein granted will become effective on the date hereof.

Dated at San Francisco, California, this 29th day of September, 1959.



President






Commissioners