

ORIGINAL

Decision No. 60805

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 execu-
tion of a Supplemental Credit
Agreement and the issuance of notes
pursuant thereto

Application No. 42623

OPINION AND ORDER

On August 30, 1960, The California Oregon Power Company filed the above-entitled application for authorization to execute a supplemental agreement and to issue notes.

By Decision No. 55732, dated October 28, 1957, and Decision No. 59053, dated September 29, 1959, the Commission authorized The California Oregon Power Company, in establishing a line of bank credit, to execute a credit agreement, and a supplemental agreement, and to issue on or before November 1, 1960, its promissory notes in the aggregate principal amount of not to exceed \$12,000,000. Under the terms of the agreement, as supplemented, the notes are payable on November 1, 1961, 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 the present proceeding, the company reports that because of the postponement of certain phases of its construction program and 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 prior to October 1, 1961, and it proposes to enter into a second supplemental agreement extending for a period of eleven months, that is, from November 1, 1960 to October 1, 1961, the period within which it might draw down money and issue the remaining notes, the maturity dates for the \$9,000,000 of notes now outstanding and the additional \$3,000,000 of notes to remain as of November 1, 1961. A copy of the proposed second supplemental agreement has been filed as Exhibit C with this application.

Applicant asserts that it has made capital expenditures in the amount of \$29,436,284 for which its treasury has not been reimbursed and it estimates that its net expenditures for additions and betterments for the period from August 1, 1960 to September 30, 1961, will approximate \$11,500,000. If authorized to execute the new 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 application and is of the opinion, and so finds, 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; that such purpose is 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. The California Oregon Power Company, on or after the effective date hereof and on or before December 31, 1960, may execute a second supplemental agreement in, or substantially in, the same form as that filed in this proceeding as Exhibit C.

2. The California Oregon Power Company, pursuant to the terms of its credit agreement, supplemental agreement and second supplemental agreement, may issue the remaining \$3,000,000 of notes at any time, or from time to time, on or before October 1, 1961.

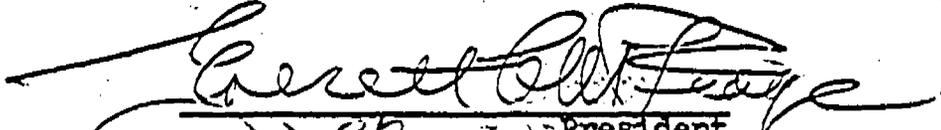
3. The California Oregon Power Company shall use the proceeds from the issue of said \$3,000,000 of notes for the purpose set forth in this application.

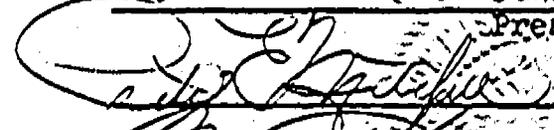
4. The authorization herein granted is for the execution of an agreement and the issue of notes and is not to be construed as indicative of amounts to be included in a future rate base for the purpose of determining just and reasonable rates.

5. 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.

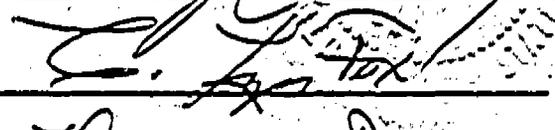
6. The authorization herein granted shall become effective on the date hereof.

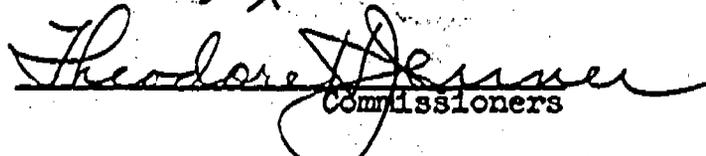
Dated at San Francisco, California,
this 2th day of OCTOBER, 1960.



President








Commissioners