

Decision No. 84382

**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 300,000 shares of common stock, )  
\$3.75 par value, pursuant to Dividend )  
Reinvestment and Stock Purchase Plan. )

Application No. 55614  
(Filed April 10, 1975)

O P I N I O N

Sierra Pacific Power Company seeks authority to issue and sell 300,000 shares of its \$3.75 par value common stock in accordance with a Dividend Reinvestment and Stock Purchase Plan.

Applicant is a Nevada corporation engaged in public utility electric operations in the State of California and in public utility electric, gas and water operations in the State of Nevada. For the year 1974 it reports total operating revenues of \$70,551,000, of which \$8,970,000 (13%) were derived from California operations.

Pursuant to a Dividend Reinvestment and Stock Purchase Plan, applicant proposes to make available 300,000 shares of its common stock for purchase from time to time by holders of its common and/or preferred stock, at a price equal to market value without payment of any brokerage commission or service charge. The utility would use the resulting funds for its continuing construction program.

The utility's reported capitalization ratios at March 31, 1975, and as adjusted to give effect to the proposed stock issue, assuming proceeds of \$3,000,000 from the sale of the common stock, are as follows:

	<u>March 31,</u> <u>1975</u>	<u>Pro</u> <u>forma</u>
Long-term debt	52.58%	51.96%
Preferred stock	15.73	15.54
Common stock equity	<u>31.69</u>	<u>32.50</u>
Total	<u>100.00%</u>	<u>100.00%</u>

After consideration the Commission finds that:

1. The proposed stock issue would be for a proper purpose.
2. Applicant has need for external funds for the purpose set forth herein.
3. The Dividend Reinvestment and Stock Purchase Plan is not adverse to the public interest.
4. The money, property or labor to be procured or paid for by the stock herein authorized is reasonably required for the purpose specified herein, which purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income.

On the basis of the foregoing findings we conclude that the application should be granted. A public hearing is not necessary. In issuing our order herein, we place applicant and its shareholders on notice that we do not regard the number of shares outstanding, the total par value of the shares nor the dividends paid as measuring the return it should be allowed to earn on its investment in plant, and that the authorization herein granted is not to be construed as a finding of the value of the company's stock or properties nor as indicative of amounts to be included in proceedings for the determination of just and reasonable rates.

#### O R D E R

IT IS ORDERED that:

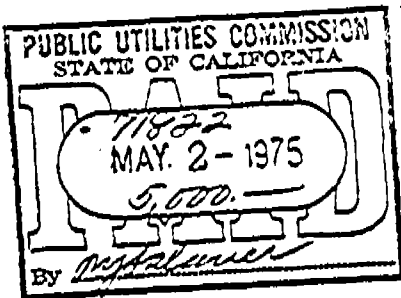
1. Sierra Pacific Power Company, on or after the effective date hereof, may issue and sell not exceeding 300,000 shares of its \$3.75 par value common stock substantially in accordance with the Dividend Reinvestment and Stock Purchase Plan set forth in Appendix D attached to the application.

2. Sierra Pacific Power Company shall use the proceeds from the sale of the stock herein authorized for the purpose specified in the application.

3. On or before the twenty-fifth day of each month, Sierra Pacific Power Company shall file with the Commission a summary for the preceding month showing the total number of shares issued under the authority herein granted, the price or prices at which such shares were issued, the total proceeds received and the purpose for which the proceeds were used. These filings shall be in lieu of reports under General Order No. 24-B.

4. This order shall become effective when Sierra Pacific Power Company has paid the fee prescribed by Section 1904.1 of the Public Utilities Code, which fee is \$5,000.

Dated at San Francisco, California, this 29th  
day of APRIL, 1975.



James L. Stinson  
President  
William Synovis, Jr.  
Edward J. Stinson  
Leonard Roy  
Robert B. Stinson  
Commissioners