

Decision No. 85197

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 (a) to)	Application No. 56061
issue to the Rural Electrification)	(Filed November 13, 1975)
Administration, United States)	
Department of Agriculture \$3,589,000)	
principal amount of First Mortgage)	
Bonds, 2% Series, and (b) to execute)	
and deliver a Sixteenth Supplemental)	
Indenture.)	

O P I N I O N

Sierra Pacific Power Company seeks authority to execute and deliver a supplemental indenture, and to issue \$3,589,000 aggregate principal amount of bonds.

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 the company reported total operating revenues of \$70,551,140, which total included \$9,021,097 (13%) derived from California operations.

In order to obtain funds for financing the construction of new electrical distribution facilities to serve portions of Lander and Nye Counties in Nevada, applicant proposes to issue \$3,589,000 aggregate principal amount of its First Mortgage Bonds, 2% Series due 2010. The new bonds would be in accordance with a Loan Contract dated as of July 3, 1972 and an amendment thereto dated as of September 25, 1975, between applicant and the United States of America, acting through the Administrator

of the Rural Electrification Administration. The bonds would be secured by an existing indenture as previously supplemented and as further supplemented by a proposed Sixteenth Supplemental Indenture.

Applicant's capitalization ratios as of May 31, 1975, and as adjusted to give effect to the proposed bond issue, as summarized from Exhibit C attached to the application, are as follows:

	<u>May 31, 1975</u>	<u>Pro Forma</u>
Long-term debt	52.7%	53.3%
Preferred stock	15.8	15.6
Common stock equity	<u>31.5</u>	<u>31.1</u>
Total	<u>100.0%</u>	<u>100.0%</u>

After consideration the Commission finds that:

1. The proposed documents would not be adverse to the public interest.
2. Applicant has need for external funds for the purpose set forth in the application.
3. The proposed bonds would be for a proper purpose.
4. The money, property or labor to be procured or paid for by the bonds 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.

O R D E R

IT IS ORDERED that:

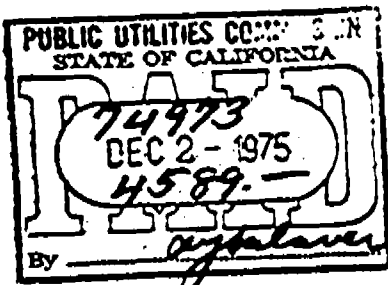
1. Sierra Pacific Power Company may execute and deliver a Sixteenth Supplemental Indenture in substantially the same form as Exhibit D attached to the application.





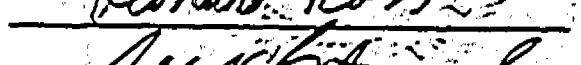
2. Sierra Pacific Power Company, for the purpose specified in the application, may issue not exceeding \$3,589,000 aggregate principal amount of its First Mortgage Bonds, 2% Series due 2010, in accordance with a Loan Contract and an Amendment in substantially the same forms as Exhibits E and F, respectively, attached to the application.

3. Sierra Pacific Power Company shall file with the Commission a report, or reports, as required by General Order No. 24-B, which order, insofar as applicable, is hereby made a part of this order.

4. This order shall become effective when Sierra Pacific Power Company has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$4,589.

Dated at San Francisco, California, this 2nd day
of DECEMBER, 1975.




President




Commissioners