

Decision No. 85936

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of SIERRA PACIFIC POWER)
 COMPANY, a Nevada corporation, for an)
 exemption order under PU Code Sections)
 829 and 853 respecting its proposal to)
 issue \$10,000,000 principal amount of)
 its First Mortgage Bonds _____% Series P)
 due 2006 to Washoe County, Nevada, and to)
 execute a Seventeenth Supplemental)
 Indenture pursuant to a proposed)
 Financing Agreement.)

Application No. 56504
 (Filed May 25, 1976)

O P I N I O N

Pursuant to Sections 829 and 853 of the Public Utilities Code, Sierra Pacific Power Company seeks an order exempting its proposed \$10,000,000 of First Mortgage Bonds, Series P due 2006, and related Financing Agreement and Seventeenth Supplemental Indenture from provisions of the Public Utilities Code which otherwise might be applicable.

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 1975, its reported total operating revenues amounted to \$98,070,541 of which \$12,924,959 were derived from California operations.

In accordance with the County Economic Development Revenue Bond Law of the State of Nevada, the utility proposes to enter into a Financing Agreement with the County of Washoe. The agreement would enable applicant to construct and equip certain water treatment facilities in the City of Sparks by utilizing funds to be obtained through bonds to be issued by the County of Washoe. The application shows that interest payable on such bonds would be exempt from federal income taxes.

Pursuant to said Financing Agreement, applicant would issue \$10,000,000 aggregate principal amount of its First Mortgage Bonds, Series P due 2006, to the County of Washoe for assignment to a trustee to be held in pledge. In particular, said bonds would constitute a pledge with respect to \$10,000,000 aggregate principal amount of Washoe County, Nevada Water Facilities Revenue Bonds (Sierra Pacific Power Company Project) Collateralized Series 1976. In connection with the Financing Agreement, applicant would execute a Seventeenth Supplemental Indenture.

The application shows that the proposed water property additions are necessary for applicant to provide water to its customers in Washoe County, Nevada.

After consideration of the verified application, we find that:

1. Applicant is a corporation organized under the laws of the State of Nevada.
2. Applicant derives 87% of its operating revenues from business conducted in the State of Nevada, and 13% from California.
3. The proposed Financing Agreement pertains to a public utility water system located in the City of Sparks, County of Washoe, State of Nevada.
4. Bonds issued pursuant to the proposed Financing Agreement would provide funds at the relatively low interest cost attributable to exemption from federal income taxes.
5. The proposed Financing Agreement would be governed exclusively by, and construed in accordance with, the applicable laws of the State of Nevada.
6. Applicant has filed an application with the Public Service Commission of the State of Nevada to engage in the proposed financing.
7. The application of Article 5, Chapter 4, Part 1, Division 1 and Section 851 (in Article 6, Chapter 4, Part 1, Division 1) of the Public Utilities Code to Sierra Pacific Power Company with respect to its First Mortgage Bonds, Series P due 2006, and related Financing Agreement and Seventeenth Supplemental Indenture is not necessary in the public interest.

8. There is no known opposition and there is no reason to delay granting the relief requested.


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 Sierra Pacific Power Company, with respect to its First Mortgage Bonds, Series P due 2006, and related Financing Agreement and Seventeenth Supplemental Indenture, is hereby exempted from the provisions of Article 5, Chapter 4, Part 1, Division 1 and Section 351 (in Article 6, Chapter 4, Part 1, Division 1) of the Public Utilities Code.


The effective date of this order is the date hereof.


Dated at San Francisco, California, this 8th day of
JUNE 1, 1976.



President








Commissioners