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Decision No. 89261 AUG 22 1978

**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	)	Application No. 58189
issue notes in an aggregate amount	)	(Filed June 29, 1978)
of \$45,000,000, payable at periods	)	
of not more than twelve months	)	
after the date of issuance.	)	

O P I N I O N

Sierra Pacific Power Company (Sierra Pacific) seeks authority to issue short-term notes aggregating not more than \$45,000,000 outstanding at any one time.

Sierra Pacific is a Nevada corporation engaged in public utility electric operations in California and Nevada, and is also engaged in public utility gas and water operations in Nevada. For the twelve months ended April 30, 1978 the corporation reported operating revenues and net income in the respective amounts of \$153,138,433 and \$16,627,973. The company's capital structure as recorded on April 30, 1978, and as adjusted to give effect to the issuance of the total amount of short-term notes applied for, is set forth below:

<u>Description</u>	<u>Percentage of</u>	
	<u>Total Capitalization</u>	
	<u>Recorded</u>	<u>Pro Forma</u>
	<u>April 30, 1978</u>	
Common equity	35.56%	33.17%
Preferred stock	11.53	10.76
Bonds outstanding	46.76	43.63
Other long-term debt	.03	.03
Short-term notes	<u>6.12</u>	<u>12.41</u>
Total	<u>100.00%</u>	<u>100.00%</u>

The company proposes to issue short-term notes from time to time at management's discretion for a period of five years from the effective date of this decision. The aggregate amount of such notes would not exceed \$45,000,000 at any one time, and the notes

would bear interest at a rate no greater than prime plus 1-1/2%. The proceeds would be used to provide working capital, to finance in part the company's construction program, and to renew or refund other short-term obligations. The effect would be to increase the amount of short-term financing already authorized by Decision No. 85361, dated January 20, 1976 in Application No. 56150. That decision authorized Sierra Pacific to incur up to \$37,500,000 in short-term debt, through January 20, 1981.

Section 823(c) of the Public Utilities Code provides that public utilities must obtain the Commission's authorization to incur short-term debt in excess of 5% of the par value of other securities then outstanding. As of April 30, 1978, Sierra Pacific could issue approximately \$11,350,000 in short-term notes without authorization. As mentioned above, Sierra Pacific has existing authority to issue \$37,500,000 in such debt.

The Operations Division has reviewed the application and agrees with the conclusion of the Finance Division that the proposed additional short-term financing is appropriate in the circumstances.

After consideration the Commission finds that: (1) the proposed notes would be for proper purposes; (2) the money, property or labor to be procured or paid for by the notes herein authorized is reasonably required for the purposes specified herein; and (3) such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income. There is no known opposition and no reason to delay granting the authority requested in the application. A public hearing is not necessary.

On the basis of the foregoing findings we conclude that the application should be granted. The authorization herein granted is for the purpose of this proceeding only and is not to be construed as indicative of amounts to be included in proceedings for the determination of just and reasonable rates, nor as indicative of the action the Commission would take on an application, or applications, for permanent financing.

O R D E R

IT IS ORDERED that:

1. Sierra Pacific Power Company, on or before August 8, 1983, for the purposes specified in this proceeding, may issue short-term notes from time to time in the aggregate principal amount of not exceeding \$45,000,000 at any one time outstanding, which notes shall bear interest at rates not exceeding those computed in the manner set forth in the application.

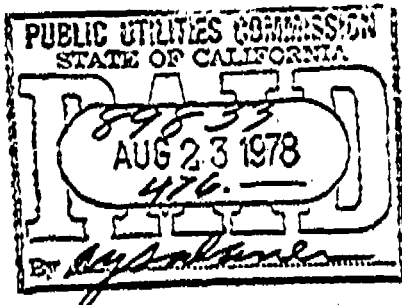
2. Within thirty days after issuing any of the notes herein authorized, Sierra Pacific Power Company shall file with the Commission a statement, in lieu of a report under General Order No. 24-B, showing the issue and due dates, the interest rates, the payee and the principal amount of each note.

3. 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 \$476.

Dated at San Francisco, California, this 22nd day of AUGUST, 1978.

Robert Bateman  
President  
William S. Gerson  
Vernon L. Sturgeon

Commissioners



Commissioner Richard D. Gravelle, being necessarily absent, did not participate in the disposition of this proceeding.

Commissioner Claire E. Dedrick, being necessarily absent, did not participate in the disposition of this proceeding.