

LEM

Decision No. 14980.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
PACIFIC GAS AND ELECTRIC COMPANY,)
a corporation, for an order of the)
Railroad Commission of the State of)
California authorizing applicant to)
issue and sell to The National City)
Company (a New York corporation)
\$10,000,000.00 face amount of appli-)
cant's first and refunding mortgage)
gold bonds of Series "D".)

ORIGINAL

Application No. 11142

Wm. B. Bosley and C. P. Catten,
for applicant.

DECOTO, Commissioner:

O P I N I O N

Pacific Gas and Electric Company asks permission to issue and sell at 91 percent of their face value and accrued interest, \$10,000,000.00 of its first and refunding Series "D" five percent bonds to be dated June 1, 1925 and payable June 1, 1955, and use the proceeds obtained from the sale of such bonds to finance construction expenditures to which reference will be made.

Applicant refers to and incorporates in its application its construction program submitted to the Commission in connection with Application No. 10682 filed on December 16, 1924. In that proceeding, as well as in this proceeding, reference is made to a construction program calling for an expenditure of \$33,552,317.63.

The \$33,552,317.63 is segregated by applicant as fol-

lows:-

Unreimbursed capital expenditures at September 30, 1924 of Pacific Gas and Electric Company and Mt. Shasta Power Corporation (Exhibit "B", Application No. 10682).....	\$9,641,985.52
Unexpended balance of capital expenditures authorized at September 30, 1924 by Pacific Gas and Electric Company (Exhibits "C" and "C-1", Application No. 10682.)	10,448,701.84
Estimated cost of new construction, Pacific Gas and Electric Company for 1924 and 1925 (Exhibit "D", Application No. 10682).....	6,000,000.00
Unexpended balance of capital expenditures authorized at September 30, 1924 by Mt. Shasta Power Corporation (Exhibit "E" Application No. 10682).....	<u>7,461,630.27</u>
	<u>\$33,552,317.63</u>

The Commission by Decision No. 14409 dated December 27, 1924 in Application No. 10682 authorized the Pacific Gas and Electric Company to use \$15,698,963.24 obtained from the sale of bonds and stock, the issue of which was theretofore authorized, to pay in part the construction expenditures to which reference has been made. Since December 27, 1924 the Commission has authorized the company to issue at par \$143,000.00 of common stock, and \$2,357,000.00 of common stock at not less than \$104. per share. Assuming that the \$2,500,000 of common stock is sold by the company at the minimum prices fixed by the Commission, the company will realize from the sale thereof \$2,594,280.00. Adding the \$2,594,280.00 to the \$15,698,963.24 makes a total of \$18,293,243.24. Deducting the \$18,293,243.24 from the \$33,552,317.63 leaves an actual or estimated construction expenditure of \$15,259,074.39, against which the Commission has not authorized the issue of any bonds or stock. It is for the purpose of paying in part for such construction expenditures that applicant asks permission to issue and sell \$10,000,000.00 of its first and refunding

bonds.

I herewith submit the following form of order:-

O R D E R

Pacific Gas and Electric Company, having applied to the Railroad Commission for permission to issue \$10,000,000.00 of its first and refunding bonds, a public hearing having been held and the Railroad Commission being of the opinion that the money, property or labor to be procured or paid for by the issue of such bonds is reasonably required by applicant, and that the expenditures herein authorized are not in whole or in part reasonably chargeable to operating expenses or to income,

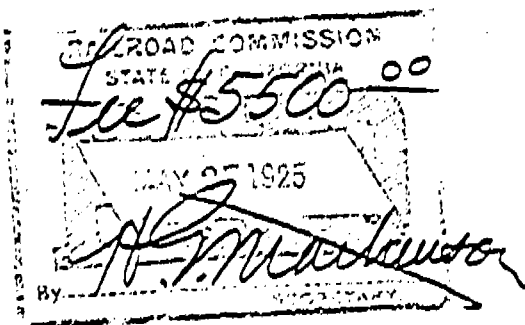
IT IS HEREBY ORDERED that Pacific Gas and Electric Company be, and it is hereby, authorized to issue and sell on or before October 1, 1925 at not less than 91 percent of their face value and accrued interest, \$10,000,000.00 of its first and refunding Series "D" five percent bonds to be dated June 1, 1925 and payable June 1, 1955, and use the proceeds, other than accrued interest, obtained from the sale of such bonds, to pay in part the cost of extensions, additions, betterments and improvements to applicant's facilities and to those of Mt. Shasta Power Corporation described in Exhibit "C", "C-1," "D" and "E" attached to Application No. 10682, provided that only such cost as is properly chargeable to fixed capital account under the Uniform System of Accounts prescribed or adopted by the Railroad Commission may be paid through the use of the proceeds obtained from the sale of said bonds. The accrued interest may be used by Pacific Gas and Electric Company for general corporate purposes.

IT IS HEREBY FURTHER ORDERED that Pacific Gas and Electric Company shall keep such record of the issue, sale and delivery of the bonds herein authorized and of the disposition of the proceeds as will enable it to file on or before the 25th day of each month a verified report, as required by the Railroad Commission's General Order No. 24, which order in so far as applicable, is made a part of this order.

IT IS HEREBY FURTHER ORDERED that the authority herein granted will become effective when Pacific Gas and Electric Company has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is \$5,500.00.

The foregoing Opinion and Order are hereby approved and ordered filed as the Opinion and Order of the Railroad Commission of the State of California.

DATED at San Francisco, California, this 27th day of May, 1925.



H. B. ...
C. ...
Egerton ...
George D. Squires
...
Commissioners.