

LEM

Decision No. 17202.

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 \$250,000.00 face amount  
of applicant's first and refunding  
mortgage gold bonds of Series "D".

ORIGINAL

Application No. 13044.

C. P. Catten, for applicant.

BY THE COMMISSION:

O P I N I O N

Pacific Gas and Electric Company has applied to the Railroad Commission for permission to issue and sell, at not less than 97 percent of face value plus accrued interest, \$250,000.00 of its first and refunding mortgage five percent. gold bonds, due June 1, 1955, of Series "D", and to use the proceeds for the purpose of paying in part the cost of extensions, additions, betterments and improvements to its facilities and to those of Mt. Shasta Power Corporation, described in Application No. 12192.

Applicant refers to and incorporates in this proceeding its Application No. 12192, heretofore filed with this Commission on December 3, 1925. In that application the company reported, in Exhibits "B", "C", "D" and "E", actual and estimated expenditures, as of September 30, 1925, amounting to \$26,875,925.74, consisting of the following:-

Unreimbursed capital expenditures at  
September 30, 1925 of Pacific Gas and  
Electric Company and Mt. Shasta Power  
Corporation (Exhibit "B", Application  
No. 12192) . . . . . \$10,114,330.26

Unexpended balance of capital expenditures  
authorized at September 30, 1925 by  
Pacific Gas and Electric Company  
(Exhibit "C", Application No. 12192) 8,342,091.11

Estimated cost of new construction, Pacific  
Gas and Electric Company for 1925 and  
1926 (Exhibit "D", Application No. 12192) 6,000,000.00

Unexpended balance of capital expenditures  
authorized at September 30, 1925 by Mt.  
Shasta Power Corporation (Exhibit "E",  
Application No. 12192) . . . . . 2,419,504.37

Total..... \$26,875,925.74

The company also reported that it had accounts receivable from unpaid subscriptions to its preferred and common stock theretofore authorized to be issued and sold, amounting to \$464,105.40. It was authorized, by Decision No. 15758, dated December 16, 1925, in Application No. 12192, to use \$464,105.40 to finance in part the expenditures of \$26,875,925.74. Thereafter in various applications filed, the company was authorized to issue and sell \$5,000,000.00 of common stock, \$10,000,000.00 of preferred stock and \$10,000,000.00 of Series "D" first and refunding mortgage five percent bonds, identical to those now proposed to be issued, and to use the proceeds to finance in part the \$26,875,925.74.

Applicant now reports, in this proceeding, that it has received, or expects to receive, from the sale of these securities, the sum of \$23,923,969.00. Deducting this sum and the \$464,105.40 from the \$26,875,925.74 there is left a balance of \$2,487,851.34 of expenditures not yet provided for through the issue of securities.

The present application to issue an additional \$250,000. of bonds is made to obtain additional funds to finance in part this balance of \$2,487,851.34. The bonds are designated Series "D" first and refunding mortgage bonds, bear interest at the rate of five per

cent per annum, mature June 1, 1955 and are callable on any interest payment date at 105 if called on or before June 1, 1950, and thereafter at par. Applicant proposes to sell the bonds at not less than 97 percent of face value plus accrued interest.

### ORDER

Pacific Gas and Electric Company having applied to the Railroad Commission for permission to issue and sell bonds, a public hearing having been held before Examiner Fankhauser and the Railroad Commission being of the opinion that the money, property or labor to be procured or paid for by the issue and sale of such bonds is reasonably required by applicant for the purposes specified herein and that the expenditures for such purposes are not in whole or in part reasonably chargeable to operating expense or to income,

IT IS HEREBY ORDERED that Pacific Gas and Electric Company be, and it is hereby, authorized to issue and sell, at not less than 97 percent of face value plus accrued interest, on or before December 31, 1926, \$250,000.00 of its first and refunding mortgage gold bonds of Series "D", and to use the proceeds for the purpose of paying in part such cost of the extensions, additions, betterments and improvements to its plants and facilities and to those of Mt. Shasta Power Corporation described in Exhibits "B", "C", "D" and "E" attached to Application No. 12192 as is properly chargeable to fixed capital accounts under the Uniform System of Accounts prescribed or adopted by the Railroad Commission of the State of California.

IT IS HEREBY FURTHER ORDERED that applicant shall keep such record of the issue and sale of the bonds herein authorized and of the disposition of the proceeds as will enable it to file, on or be-

fore the 25th day of each month a verified report, as required by the Railroad Commission's General Order No. 24, which order, insofar as applicable, is made a part of this order.

IT IS HEREBY FURTHER ORDERED that the authority herein granted shall become effective when applicant has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is \$250.00.

DATED at San Francisco, California, this 11<sup>th</sup> day of August, 1926.

B. B. Brundage

C. C. Seavey

Leon Whitall

Thos. B. Rafter

Commissioners.

Free \$250.00  
AUG 16 1926  
Medley & Co.