

Decision No. 17765

ORIGINAL

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 it to issue )  
and pledge its general and refund- )  
ing mortgage gold bonds to the par )  
value of \$1,000,000.00. )

Application No. 1280.

BY THE COMMISSION:

FIRST SUPPLEMENTAL OPINION AND ORDER

In a supplemental petition filed in the above entitled matter on November 10, 1926, Pacific Gas and Electric Company asks the Railroad Commission to make an order authorizing it to sell, at not less than ninety-nine percent of face value plus accrued interest \$25,000.00 of its general and refunding mortgage bonds heretofore issued under authority granted by Decision No. 1756, dated August 27, 1914, and now held in its treasury, and to use the proceeds for general corporate purposes.

In the original application in this proceeding, filed August 14, 1914, Pacific Gas and Electric Company asked permission to issue \$1,000,000.00 of its general and refunding mortgage bonds and to pledge them to secure either corporate or individual sureties on two bonds which it desired to file in two suits pending in the District Court of the United States for the Northern District of California, one of the suits, Pacific Gas

and Electric Company vs. City and County of San Francisco, Equity No. 27, having been brought to enjoin the enforcement of Ordinance No. 2348 of the Board of Supervisors of the City and County of San Francisco establishing gas rates for the year ending June 30, 1914, and the other, bearing the same title, but numbered Equity No. 32, having been brought to enjoin the enforcement of Ordinance No. 2349 of the Board of Supervisors of the City and County of San Francisco establishing electric rates for the same period.

In making this request the company reported that it was entitled to issue the \$1,000,000.00 of bonds under the terms of the trust indenture securing the payment of the general and refunding mortgage bonds and it agreed that during the time the \$1,000,000.00 of bonds were outstanding it would not reimburse its treasury with proceeds from the sale of bonds and stock in an amount equal to the \$1,000,000.00. The request to issue the bonds thus was predicated on capital expenditures made up to that time and not reimbursed through the issue of securities.

By Decision No. 1756, dated August 27, 1914, the Commission authorized applicant to issue the \$1,000,000.00 of bonds. It appears that such bonds actually were issued but that only \$875,000.00 were pledged for the purposes indicated herein and that \$125,000.00 have since been held in the company's treasury and have not been, nor will be, used for the purpose specified in the decision. The company now asks that it be allowed to sell \$25,000.00 of these bonds at ninety-nine percent of face value plus accrued interest.

We have given consideration to applicant's request and believe it should be granted as herein provided, therefore,

IT IS HEREBY ORDERED that the order in Decision No. 1756, dated August 27, 1914, be, and it hereby is, modified so as to permit Pacific Gas and Electric Company to sell, on or before January 31, 1927, at not less than ninety-nine percent of face value plus accrued interest, \$25,000.00 of the general and refunding mortgage five percent bonds authorized to be issued by said decision, and to use the proceeds for general corporate purposes.

IT IS HEREBY FURTHER ORDERED that the order in Decision No. 1756, dated August 27, 1914, shall remain in full force and effect except as modified by this First Supplemental Order.

DATED at San Francisco, California, this 14th day of December, 1926.

H. A. R. ...  
C. C. ...  
...  
...

Commissioners.