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Decision No. 10692

BEFORE THE RAILROAD COMMISSION OF THE  
STATE OF CALIFORNIA

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ORIGINAL

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 \$2,889,000.00 face value of )  
its general and refunding mortgage )  
gold bonds and to deposit and pledge )  
said bonds with the Mercantile Trust )  
Company (San Francisco) under and in )  
accordance with the provisions of )  
applicant's first and refunding mort- )  
gage dated December 1, 1920. )

Application

Number

7961

C.P. Cutten for Applicant.

BENEDICT, Commissioner.

O P I N I O N

PACIFIC GAS AND ELECTRIC COMPANY asks permission to issue and deposit with the Mercantile Trust Company (San Francisco) trustee, under its first and refunding mortgage \$2,889,000.00 face value of its general and refunding mortgage 5 per cent. gold bonds due January 1, 1942.

Under the authority granted by the Commission in Decision No. 2724, dated March 10, 1921 (Application No. 6387) applicant executed a first and refunding mortgage. In this mortgage it agreed that it will not issue and sell any additional bonds which it may have certified under its general and refunding mortgage, but that all of such bonds will be deposited after certification with the trustee under the first and refunding mortgage or exchanged for underlying bonds pursuant to the terms and provisions of the general

and refunding mortgage.

Mr. B.W. Hodges, auditor for the Pacific Gas and Electric Company, testified that the company from July 1, 1921 to December 31, 1921, expended for additions and betterments the sum of \$3,209,651.41, and that by virtue of such expenditures, the company may call upon the trustee under the general and refunding mortgage to certify \$2,889,214.49 face value of bonds. The expenditures made by applicant for additions and betterments from July 1, 1921 to and including December 31, 1921, are reported in detail in applicant's "Exhibit B" filed in this proceeding.

The \$2,889,000.00 of bonds which applicant asks permission to issue will be deposited with the Mercantile Trust Company (San Francisco), trustee, under the first and refunding mortgage and held by such trustee until the general and refunding mortgage is canceled and discharged of record. At that time, the bonds will be canceled. It appears, therefore, that none of the bonds covered by this application will be sold to the public.

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 and deposit \$2,889,000.00 of bonds, a public hearing having been held and the Commission being of the opinion that this application should be granted and that the issue and deposit of the bonds is in accordance with the terms and provisions of Section 52 of the Public Utilities Act:

IT IS HEREBY ORDERED, that Pacific Gas and Electric Company be, and it is hereby, authorized to issue and deposit with the Mercantile Trust Company (San Francisco), trustee, under its first and refunding mortgage \$2,889,000.00 face value of its general and refunding mortgage 5 per cent. gold bonds due January 1, 1942, for the purpose of securing in part the payment of bonds issued and sold under said first and refunding mortgage, such general and refunding mortgage bonds to be

deposited under and pursuant to the provisions of the first and re-funding mortgage, dated December 1, 1920.

The authority herein granted is subject to further conditions as follows:-

- 1.--Pacific Gas and Electric Company shall file with the Railroad Commission a report or reports as required by the Commission's General Order No. 24, which order in so far as applicable, is made a part of this order.
- 2.--The authority herein granted will apply only to such bonds as may be issued and deposited on or before October 1, 1922.

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 11<sup>th</sup> day of July, 1922.

H. B. Brundage  
Prising Martini  
Charles A. Lawrence  
W. P. Benedict  
Commissioners.