

ORIGINAL

HS

Decision No. 11577.

BEFORE THE RAILROAD COMMISSION OF THE
STATE OF CALIFORNIA.

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

Application No. 8625.

C.P. Catten for Applicant.

MARTIN, Commissioner.

O P I N I O N.

PACIFIC GAS AND ELECTRIC COMPANY asks permission to issue and sell, at not less than 95 per cent. of their face value plus accrued interest, \$10,000,000.00 of Series "C" five and one-half per cent. first and refunding mortgage bonds, due December 1, 1952, for the purpose of paying for additional property and the construction of additions and betterments upon its properties and upon those of Mt. Shasta Power Corporation, a company controlled by it through stock ownership.

As of November 30, 1922, applicant reports its capital stock outstanding in the hands of the public at \$85,368,644, consisting of \$50,641,010 of six per cent. first preferred, \$43,600 of original preferred and \$34,684,034 of common stock. As of the same date, applicant reports outstanding in the hands of the public bonded indebtedness of \$111,818,200. This bonded debt consists of \$438,000 of 4 per cent. bonds, \$6,354,000 of 4½ per cent. bonds, \$70,471,400 of 5 per cent. bonds, \$23,834,800 of 6% bonds and \$10,720,000 of 7 per cent bonds. In addition, \$9,171,800 of bonds are reported as held

alive in the various sinking funds, of which \$12,000 bear interest at 4 per cent, \$175,000 at 4½ per cent, \$8,497,600 at 5 per cent and \$487,200 at 6 per cent.

It is of record that the company's construction expenditures during 1923 and 1924 will exceed \$20,000,000. According to the testimony of A.F. Hockenbeamer, applicant's second vice-president and treasurer, substantially all, if not all, of the \$20,000,000 will be expended during 1923. To provide itself with funds to pay for part of such construction expenditures, applicant asks permission to issue and sell \$10,000,000 of bonds. These bonds will be issued under applicant's first and refunding mortgage, will be dated December 1, 1922, will mature December 1, 1952, will bear interest at the rate of 5½ per cent. per annum and will be redeemable at the option of the company, in whole or in part, on any interest payment date upon sixty days prior notice at par plus a premium of 5 per cent. of the principal amount thereof. Applicant has entered into an agreement covering the sale of the bonds at 95 per cent. of their face value plus accrued interest. Pending the delivery of definitive bonds, applicant may issue temporary bonds.

Applicant does not at this time ask permission to expend any of the proceeds obtained from the sale of the bonds. It agrees to deposit the entire proceeds with the trustees under its first and refunding mortgage, or with one of them, or with a bank or banks, or with The National City Company, purchaser of the bonds, and expend the proceeds only for such purposes as the Railroad Commission may authorize by supplemental order or orders.

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 sell \$10,000,000.00

of 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 such issue is reasonably required by applicant and that this application should be granted as herein provided; therefore,

IT IS HEREBY ORDERED, that PACIFIC GAS AND ELECTRIC COMPANY be, and it is hereby, authorized to issue and sell, at not less than 95 per cent. of their face value plus accrued interest, \$10,000,000. of its Series "C" first and refunding mortgage 5½ per cent. bonds due December 1, 1952.

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

- 1.--The proceeds received from the sale of bonds herein authorized shall be deposited by applicant with a bank or banks, or with a trust company or trust companies, or with The National City Company and may, when and as authorized by the Commission in subsequent orders, be used to acquire and pay for additional property and for the construction of additions and betterments on the property of applicant and Mt. Shasta Power Corporation.
- 2.--Pacific Gas and Electric Company shall keep such report 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.
- 3.--The authority herein granted will become effective upon

the payment by applicant of the fee prescribed by Section 57 of the Public Utilities Act, which fee is \$5,500.00 and will expire on July 1, 1923.

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 13th day of February, 1923.

C. Seamy

Irving Mason

J. T. Whittrey

Commissioners.

