

Decision No.

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 authorizing)
it to issue general and refunding)
mortgage 5% gold bonds for the pur-)
pose of reimbursing its treasury in)
the amount of \$560,000.00 expended)
in the retirement of an equal face)
amount of bonds.)

Application No. 2519.

Charles P. Cutten for Applicant

EDGERTON, Commissioner:

O P I N I O N.

PACIFIC GAS AND ELECTRIC COMPANY, in this proceed-
ing states that on March 15, 1916, it paid to the Mercan-
tile Trust Company of San Francisco, as trustee, the sum
of \$560,000.00 to retire outstanding bonds of the Oakland
Gas Light and Heat Company of a similar amount.

The Oakland Gas Light and Heat Company is a subsidia-
ry of the Pacific Gas and Electric Company, and had issued
bonds in the total sum of \$1,000,000.00. Of this amount
\$440,000.00 face value were redeemed through the operation
of sinking fund. The balance of the issue amounted to
\$560,000.00, matured on March 16th of this year, and was
duly redeemed.

3762

To reimburse its treasury for the sum thus employed, request is made herein for authority to issue sufficient of applicant's general and refunding mortgage 5% bonds which, at 85% of face value will yield said sum of \$560,000.00. This will call for an issue of \$659,000.00 of bonds.

As a large part of the bond issue of Oakland Gas Light and Heat Company has been redeemed through sinking fund, I believe the applicant may be authorized to issue its general and refunding bonds to reimburse it for the sum expended to retire the balance of the Oakland Gas Light and Heat Company's issue. The applicant requests that it be authorized to sell these bonds at not less than 85% of face value, but expects to obtain a more satisfactory price.

I recommend that the application be granted and submit the following form of order:

O R D E R.

PACIFIC GAS AND ELECTRIC COMPANY having applied to this Commission for authority to issue \$659,000.00 of its general and refunding bonds as set forth in the foregoing opinion, and it appearing that the purposes for which applicant proposes to issue said bonds 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 granted authority, and it is hereby granted authority to issue \$659,000.00 face value of its general and refunding mortgage bonds.

The authority herein granted is granted upon the following conditions, and not otherwise:

1. The bonds herein authorized to be issued shall be sold so as to net the applicant not less than 85% of their face value plus accrued interest thereon.

2. The proceeds derived from the sale of the bonds herein authorized to be issued shall be used to reimburse applicant's treasury for expenditures from income for the retirement of \$560,000.00 of bonds of Pacific Gas and Electric Company.

3. Within thirty days after the bonds herein authorized to be issued shall have been issued, the applicant shall report such fact to this Commission, stating the price obtained for said bonds.

4. The authority herein granted is conditioned upon the payment of the fee prescribed by the Public Utilities Act.

5. The authority herein granted shall apply to such bonds as shall have been issued on or before July 31, 1917.

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 11th day of

October

1916.

Railroad Commission State of California

File # 65900

OCT 6 1916

[Signature]
BY *[Signature]*
Assistant Secretary

Max Thelen
H. D. [unclear]
[unclear]
Edwin C. Edgerton

Commissioners.