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Decision No. 8724.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
PACIFIC GAS AND ELECTRIC COMPANY,)
a corporation, and MT. SHASTA POWER)
CORPORATION, a corporation, for an)
order of the Railroad Commission of)
the State of California, authorizing)
the execution of a mortgage and the)
issuance of bonds.)

OPINION
First Supplemental
Application No. 6387.

William B. Bosley and C.P. Catten for applicants.

DEVLIN, Commissioner.

FIRST SUPPLEMENTAL OPINION.

On December 20, 1920, the Railroad Commission by Decision No. 8446 authorized PACIFIC GAS AND ELECTRIC COMPANY to issue and sell at 93½ and accrued interest \$10,000,000.00 face value of 7 per cent 20-year bonds, or interim certificates of a like amount.

Condition "1" of the order in Decision No. 8446 reads:--

"The authority herein granted (referring to Decision No. 8446) to issue bonds shall not become effective until the Commission has by supplemental order authorized the execution of a mortgage or deed of trust securing the payment of the bonds."

A copy of the proposed mortgage or deed of trust has been filed in this proceeding and marked Exhibit "F". The proposed mortgage or deed of trust will be a lien on the properties of Pacific Gas and Electric Company and on the properties of the Mt. Shasta Power Corporation. All of the outstanding stock of the latter company is owned by the Pacific Gas and Electric Company.

It is of course understood, and applicants' representatives are in agreement with this, that the authority to execute the mortgage or deed of trust in no way commits the Commission to fix rates or to take any other action to enable applicants to comply with the terms and provisions of said mortgage or deed of trust. The issue of bonds under said mortgage or deed of trust, other than the \$10,000,000.00 of bonds covered by Decision No. 8446, as well as the issue of general and refunding bonds referred to in said mortgage or deed of trust, are matters which must be determined in subsequent proceedings and will be determined in accordance with the facts then presented regardless of the authority herein granted to execute a mortgage or deed of trust.

Applicants have sold \$10,000,000.00 of interim certificates at 93½ and accrued interest. The proceeds from the sale of these interim certificates are deposited with trustees. Authority will be herein granted to the Pacific Gas and Electric Company to issue in exchange for the interim certificates \$10,000,000.00 of its first and refunding mortgage 7 per cent 20-year gold bonds. Applicants agree that they will expend none of the proceeds except for such purposes as the Commission may hereafter authorize.

I herewith submit the following form of order.

FIRST SUPPLEMENTAL ORDER.

PACIFIC GAS AND ELECTRIC COMPANY and MT. SEASTA POWER CORPORATION having applied to the Railroad Commission for permission to execute a mortgage or deed of trust and issue and exchange bonds for interim certificates sold under the authority granted in Decision No. 8446, a public hearing having been held and the Commission having considered applicants' request;

IT IS HEREBY ORDERED, that PACIFIC GAS AND ELECTRIC COMPANY and MT. SHASTA POWER CORPORATION be, and they are hereby, authorized to execute a mortgage or deed of trust substantially in the same form as the mortgage or deed of trust filed in this proceeding and marked Exhibit "F", provided --

THAT the approval herein given of said mortgage or deed of trust is for the purpose of this proceeding only and an approval in so far as this Commission has jurisdiction under the terms of the Public Utilities Act, and is not intended as an approval of said mortgage or deed of trust as to such other legal requirements to which said mortgage or deed of trust may be subject.

IT IS HEREBY FURTHER ORDERED, that PACIFIC GAS AND ELECTRIC COMPANY may execute, issue and deliver in exchange for interim certificates sold under the authority granted in Decision No. 8446, dated December 20, 1920, \$10,000,000.00 of its first and refunding mortgage 7 per cent 20-year gold bonds, said bonds to be sold for not less than 93½ per cent of their face value and accrued interest and all proceeds held on deposit in a bank or banks in a special account until the expenditures of said proceeds, or any part thereof, is authorized by the Railroad Commission.

IT IS HEREBY FURTHER ORDERED, that the order in Decision No. 8446, dated December 20, 1920, shall remain in full force and effect, except as modified by this First Supplemental Order.

The foregoing First Supplemental Opinion and First Supplemental Order are hereby approved and ordered filed as the First Supplemental Opinion and First Supplemental Order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 10th day of March, 1921.

Frank R. Down

H. B. ...

James ...

... H. ...

Commissioners.