

ORIGINAL

Decision No. 8898

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 execu- tion of a mortgage and the issuance of bonds.)))))))))))	Second Supplemental Application No. 6687.
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BY THE COMMISSION:

THIRD SUPPLEMENTAL ORDER.

WHEREAS, PACIFIC GAS AND ELECTRIC COMPANY reports that it has sold at 93.5 percent of face value plus accrued interest, the \$10,000,000. of first and refunding mortgage 7 percent 20-year bonds authorized to be issued by Decision Number 8446, dated December 20, 1920, as amended, and has received from such sale, the principal sum of \$9,350,000., and the further amount of \$88,479.27 as accrued interest, and

WHEREAS, PACIFIC GAS AND ELECTRIC COMPANY and MT. SHASTA POWER CORPORATION report, in their second supplemental petition filed in this proceeding, that Mt. Shasta Power Corporation, up to December 31, 1920, has expended for construction of extensions, additions and betterments from funds advanced by Pacific Gas and Electric Company, the sum of \$2,211,066.69, and that Mt. Shasta Power Corporation has unexpended balances of its general manager's authorizations for construction work on December 31, 1920, of \$15,656,012.34, as described in Exhibit "C" attached to the second supplemental petition herein, and

WHEREAS, Pacific Gas and Electric Company reports additional expenditures, both actual and estimated, in Exhibits "E" and "F", and

WHEREAS, applicants ask the Railroad Commission to make an order authorizing Pacific Gas and Electric Company to apply \$88,479.24, the amount of accrued interest on the bonds sold to the payment of the first semi-annual installment of interest to become due on said bonds and permitting applicants to use the ^{9,350,000}~~9,000,000~~ to finance in part the construction expenditures incurred or to be incurred, described in Exhibits "C", "E" and "F" attached to the second supplemental petition filed in this proceeding, and

WHEREAS, the Commission is of the opinion that further time is required to consider some of the estimated expenditures submitted by applicants, and that therefore no final order can be made in this proceeding that applicants requests may be granted to the extent indicated in this order, and that the expenditures herein authorized are not in whole or in part reasonably chargeable to operating expenses or to income,

IT IS HEREBY ORDERED, that the order in Decision Number 8446 dated December 20, 1920, as amended, be, and it is hereby modified so as to permit Pacific Gas and Electric Company to use \$88,479.24 obtained from the sale of its bonds and representing accrued interest on said bonds, to pay part of the first semi-annual installment of interest on said bonds, and permit the reimbursement of the sum of \$2,211,063.69 advanced by said Pacific Gas and Electric Company to said Mt. Shasta Power Corporation and by the latter expended during the period from April 30, 1917 to and including December 31, 1920, for the acquisition of lands, rights of way and other properties, and for the construction of hydroelectric power plants, electric transmission lines and works necessary for use in connection

therewith, reported in Exhibit "C" attached to the second supplemental petition in the above entitled matter, provided that reimbursement may be made only to the extent that the cost of said properties is properly chargeable to fixed capital, as defined by the Commission in its Classification of Accounts.

IT IS HEREBY FURTHER ORDERED that the order in Decision Number 8446 dated December 20, 1920, as amended, shall remain in full force and effect, except as modified by this Third Supplemental Order.

Dated at San Francisco, California, this 26th day of April, 1921.

Frank P. Deben
F. W. Lowland
H. B. Brundage
Irving C. Weston

Commissioners.