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ORIGINAL

Decision No. 9124.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

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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. )

Second Supplemental  
Application No. 6387

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BY THE COMMISSION:

FOURTH SUPPLEMENTAL ORDER

WHEREAS, PACIFIC GAS AND ELECTRIC COMPANY reports that it has sold at 93.5% of their face value plus accrued interest the \$10,000,000.00 of first and refunding mortgage 7 per cent. 20-year bonds authorized to be issued by Decision No. 8446, dated December 20, 1920, as amended, and has received from such sale the sum of \$9,350,000.00 and the further sum of \$88,479.24 as accrued interest; and

WHEREAS, the Railroad Commission by Decision No. 8898, dated April 26, 1921, authorized Pacific Gas and Electric Company to use the \$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 further authorized the use of \$2,211,033.69 of the said \$9,350,000.00 to reimburse the Pacific Gas and Electric Company on account of advances made to Mt. Shasta Power Corporation and by the latter expended from April 30, 1917 to and including December 31, 1920, for the acquisition of lands, rights-of-way and other property and for the construction of hydro-electric plants, electric transmission lines and works necessary for

use in connection therewith, all as more particularly set forth in said Decision No. 8898, dated April 26, 1921; and

WHEREAS, applicants through the Mt. Shasta Power Corporation are proceeding with their Pit River development and the construction of hydroelectric plants in connection with such development; and

WHEREAS, Pacific Gas and Electric Company and Mt. Shasta Power Corporation in Exhibit "C", attached to the second supplemental petition filed in the above entitled matter, report the unexpended balances of the "General Manager's Authorizations" in connection with the Pit River development at \$13,656,012.34, which authorizations have been examined by the engineering department of the Commission and are believed to be reasonable; and

WHEREAS, Pacific Gas and Electric Company in Exhibit "C" and Exhibit "D" filed in Application No. 6585 reports estimated expenditures of \$6,702,113.83 (no part of which are included in the \$13,656,012.34 mentioned in the preceding paragraph), of which amount, assuming all to be a proper charge to capital account, the Commission has heretofore in Decision No. 8802, dated March 28, 1921, authorized \$4,735,337.74 to be financed through the issue of stock, leaving \$1,966,776.09, against which the Commission has not authorized the issue of any stock and bonds; and

WHEREAS, applicants ask permission to use the remaining proceeds, \$7,138,966.51, from the sale of the \$10,000,000.00 of bonds to finance permanently in part through reimbursement or by direct payment the estimated expenditures, \$13,656,012.34, reported in Exhibit "C" attached to second supplemental petition in Application No. 6387, and \$1,966,776.09 of the estimated expenditures reported in Exhibit "C" and "D" filed in Application No. 6585;

AND the Commission being of the opinion that applicants' request should be granted subject to the conditions of this order;

NOW, THEREFORE, IT IS HEREBY ORDERED, that the order in Decision No. 8446, dated December 30, 1920, as amended, be, and it is hereby modified so as to permit the use of \$7,138,966.31 of the proceeds obtained from the sale of the \$10,000,000.00 of first and refunding mortgage 7 per cent 20-year bonds, the issue of which is authorized by said decision, to reimburse PACIFIC GAS AND ELECTRIC COMPANY on account of advances to MT. SHASTA POWER CORPORATION and expended since December 31, 1920 or hereafter to be expended by said MT. SHASTA POWER CORPORATION for the acquisition of lands, rights-of-way and other property and for the construction of hydroelectric power plants, electric transmission lines and works necessary for use in connection therewith pursuant to and in accordance with the "General Manager's Authorizations" listed and described in Exhibit "C" attached to the second supplemental petition in the above entitled matter; and permit PACIFIC GAS AND ELECTRIC COMPANY to pay the cost of acquiring and constructing additions, betterments and improvements described in the "General Manager's Authorizations" listed and described in the statements marked Exhibit "C" filed in Application No. 6585 and additions, betterments and improvements described in Exhibit "D" filed in Application No. 6585;

PROVIDED that said \$7,138,966.31 be used to finance permanently only the cost of such properties, plants and appurtenances as are properly chargeable to capital accounts as defined in the classifications of accounts prescribed and adopted by the Railroad Commission.

IT IS HEREBY FURTHER ORDERED, that the order in Decision No. 8448, dated December 20, 1920, as amended, and the order in

Decision No. 8802, dated March 28, 1921, shall remain in full force and effect, except as modified by this Fourth Supplemental Order.

Dated at San Francisco, California, this 21<sup>st</sup> day of June, 1921.

H. B. Boudin  
H. D. Loveland

J. P. [Signature]  
COMMISSIONERS.

SEE PAID IN ORIGINAL APPLICATION

No. 6387 ... 8446

Dated 21 Dec 20

[Signature]

Secretary  
The State Commission State of California