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Decision No. 9608.

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 of the)
Railroad Commission of the State of)
California authorizing applicant)
to issue \$4,853,000.00 face value)
of its general and refunding mort-)
gage gold bonds and to deposit and)
pledge said bonds with the MERCANTILE)
TRUST COMPANY (San Francisco) under)
and in accordance with the provisions)
of applicant's first and refunding)
mortgage dated December 1, 1920.)

Application
Number
7154

W.B. Bosley and C.P. Cutten for applicant.

BENEDICT, Commissioner.

O P I N I O N

PACIFIC GAS AND ELECTRIC COMPANY asks permission to issue and deposit with the Mercantile Trust Company (San Francisco), trustee, under its first and refunding mortgage, \$4,853,000.00 face value of its general and refunding mortgage 5 per cent. gold bonds due January 1, 1942.

Under the authority granted by the Commission in Decision No. 8724, dated March 10, 1921, (Application No. 6387), applicant executed a first and refunding mortgage. In this mortgage it agreed that it will not issue and sell any additional bonds which it may have certified under its general and refunding mortgage, but that all of such bonds will be deposited after certification with the trustee under the first and refunding mortgage.

In Exhibit "B" applicant reports the net cost of additions and betterment to its properties, against which general and refunding

bonds may be issued up to June 30, 1921, at \$4,108,283.34. Under the general and refunding mortgage it may issue bonds equal in face value to 90 per cent. of the net cost of additions and betterments. Ninety per cent. of the \$4,108,283.34 amounts to \$3,697,454.70. It appears that heretofore applicant has called upon the trustee to certify bonds in the amount of \$1,156,073.22, which added to the \$3,697,454.70, makes a total of \$4,853,527.92.

A.F. Hockenbeamer, second vice-president and treasurer of Pacific Gas and Electric Company, testified that thus far no general and refunding bonds have been deposited with the trustee under the first and refunding mortgage and that any bonds so deposited will be held by said trustee until the general and refunding mortgage is cancelled and discharged of record. At that time the bonds will be cancelled. It appears, therefore, that none of the bonds covered by this application will be sold to the public.

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 deposit \$4,853,000.00 of bonds, a public hearing having been held and the Commission being of the opinion that this application should be granted and that the issue and deposit of the bonds is in accordance with the terms and provisions of Section 52 of the Public Utilities Act;

IT IS HEREBY ORDERED, that PACIFIC GAS AND ELECTRIC COMPANY be, and it is hereby, authorized to issue and deposit with the Mercantile Trust Company (San Francisco), trustee, under its first and refunding mortgage \$4,853,000.00 face value of its general and refunding mortgage 5 per cent. gold bonds due January 1, 1942, for the purpose of securing in part the payment of bonds issued and sold under said first and refunding mortgage, such general and refunding mortgage

bonds to be deposited under and pursuant to the provisions of the first and refunding mortgage dated December 1, 1920.

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

- 1.--Pacific Gas and Electric Company shall file with the Railroad Commission a report or reports as required by the Commission's General Order No. 24, which order, in so far as applicable, is made a part of this Order.
- 2.--The authority herein granted will apply only to such bonds as may be issued and deposited on or before December 15, 1921.

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 14th day of October, 1921.

H. P. Gruninger
H. D. Loveland
Wm. H. ...
J. J. ...
Commissioners.