

ES

ORIGINAL

Decision No. 9788.

BEFORE THE RAILROAD COMMISSION OF  
THE STATE OF CALIFORNIA

\*\*\*\*\*

In the Matter of the Application of the )  
PACIFIC GAS AND ELECTRIC COMPANY, )  
a corporation, for an order of the Rail- )  
road Commission of the State of Califor- )  
nia authorizing applicant to issue and )  
sell to The National City Company (a New )  
York corporation) \$10,000,000. face )  
amount of applicant's first and refunding )  
mortgage gold bonds of Series "B". )

Application No. 7356

-----  
William 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 sell at not less than 94-1/4 per cent. of their face value and accrued interest \$10,000,000.00 of first and refunding mortgage gold bonds of Series "B". The bonds are to bear interest at the rate of 6 per cent. per annum, to be dated December 1, 1921, to become due December 1, 1941 and are to <sup>be</sup> non-callable.

Applicant and Mt. Shasta Power Corporation, controlled through stock ownership by applicant, intend to use the proceeds obtained from the sale of bonds to pay for the acquisition and construction of new properties. The record shows that Pacific Gas and Electric Company and Mt. Shasta Power Corporation have unreimbursed capital expenditures and authorized and estimated construction expenditures aggregating \$14,473,436.60. This amount is made up of the following items:-

Unexpended balances of Mt. Shasta Power Corporation's General Manager's authorizations for the construction of new hydroelectric plants and electric transmission distribution systems and other works and for the acquisition of property required for use in the service of the public on August 31, 1921, . . . . . \$11,539,312.77

Unexpended balances of Pacific Gas and Electric Company's General Manager's authorizations and estimated expenditures not covered by General Manager's authorizations made prior to December 1, 1920 for the construction of additions and betterments required for the proper service of the public, on August 31, 1921, . . . . . 1,436,648.95

Unreimbursed capital expenditures of Pacific Gas and Electric Company and Mt. Shasta Power Corporation on August 31, 1921, . . . . . 1,500,474.88

Total, . . . . . \$14,473,436.60

The testimony shows that applicant has entered into an agreement with The National City Company for the sale of \$10,000,000. of Series "B" first and refunding mortgage gold bonds. The National City Company has agreed to pay for the bonds 94-1/4 per cent. of their face value and accrued interest. Applicant intends to deposit all of the proceeds obtained from the sale of the bonds with the trustees under its first and refunding mortgage dated December 1, 1920, or with one of them, or in a bank or banks, or with the said The National City Company, until such time as the Railroad Commission may authorize the disbursement of the proceeds. In general, it is the intention of the company to ultimately use the proceeds to pay for the acquisition and construction of the properties referred to in this application.

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 \$10,000,000.00 of its first and refunding mortgage gold bonds of Series "B", a public

hearing having been held and the Railroad Commission being of the opinion that the money, property or labor to be procured or paid for through the issue of said bonds is reasonably required by applicant and that applicant should be permitted to issue and sell said bonds;

IT IS HEREBY ORDERED, that PACIFIC GAS AND ELECTRIC COMPANY be, and it is hereby, authorized to issue and sell, for cash, at not less than 94-1/4 per cent. of their face value and accrued interest \$10,000,000.00 of first and refunding mortgage 6 per cent. gold bonds of Series "B" dated December 1, 1921 and payable December 1, 1941, and deposit the proceeds obtained from the sale of said bonds with the trustees under applicant's first and refunding mortgage dated December 1, 1920, or with one of them, or in a bank or banks, or with the said The National City Company, said proceeds to be held in a special account or accounts and not expended for any purpose except as authorized by the Railroad Commission.

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

1.--Pacific Gas and Electric Company shall keep such record of the issue, sale and delivery of the bonds herein authorized and of the disposition of the proceeds as will enable it to file on or before the 25th day of each month a verified report, as required by the Railroad 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 not become effective until applicant has paid the fee prescribed in Section 57 of the Public Utilities Act, which fee amounts to \$5,500.00.

3.--The authority herein granted will apply only to such bonds as may be issued, sold and delivered on or before February 1, 1922.

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 21<sup>st</sup> day of November, 1921.

Railroad Commission, State of California

JEFF 5500<sup>00</sup>  
NOV 22 1921  
H. W. Madison

H. B. Benedict

J. W. Martin

Robert H. French

H. B. Benedict

Commissioners.