

Decision No. 27857

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 \$24,786,000.00 face amount of  
its General and Refunding Mortgage  
Gold Bonds, and to deposit and pledge  
said bonds with the American Trust  
Company (of San Francisco) under and  
in accordance with the provisions of  
applicant's First and Refunding Mort-  
gage dated December 1, 1920.

Application No. 19887

Wm. B. Bosley, C. P. Cutten and R. W. DuVal,  
for applicant.

BY THE COMMISSION:

O P I N I O N

In this application Pacific Gas and Electric Company asks permission to issue and deposit with the American Trust Company, the California trustee of its first and refunding mortgage, dated December 1, 1920, \$24,786,000.00 face amount of its general and refunding mortgage 5% gold bonds due January 1, 1942.

Pacific Gas and Electric Company, pursuant to the authority granted by the Commission in Decision No. 8724 dated March 10, 1921, executed its first and refunding mortgage. In this mortgage it agrees, among other things, that it will not issue and sell any additional general and refunding mortgage bonds, but that such bonds after certification, will be deposited with the trustee under the first and refunding mortgage or exchanged for underlying bonds, pursuant to the terms of the general and refunding mortgage. The bonds thus pledged with the Trustee under the first and refunding mortgage will be held by such trustee until such time as the general

and refunding mortgage is discharged of record, at which time they will be cancelled. Heretofore the Commission by various decisions authorized the company to issue and deposit with said trustee \$59,598,000.00 face amount of its general and refunding mortgage bonds. The \$24,786,000.00 of bonds which it now asks permission to issue and deposit with such trustee, is, according to Exhibit "D", the balance of the bonds which may now be issued under applicant's general and refunding mortgage against capital expenditures.

In support of its request to issue and pledge additional general and refunding mortgage bonds, applicant reports that for the period December 1, 1924 to January 31, 1935 it expended for additions and betterments the sum of \$179,130,765.20, against which it has not called upon the trustee under its general and refunding mortgage to certify any bonds. Because of these and other expenditures it now asks permission to issue the aforesaid \$24,786,000.00 of bonds.

#### ORDER

Pacific Gas and Electric Company having applied to the Railroad Commission for permission to issue and deposit \$24,786,000.00 of its general and refunding bonds, the Commission having considered applicant's request and being of the opinion that this is not a matter in which a hearing is necessary, that the money, property or labor to be procured or paid for through such issue and deposit of bonds is reasonably required by applicant for the purposes herein specified, and that the expenditures for such purposes are not in whole or in part reasonably chargeable to operating expenses or to income, therefore,

IT IS HEREBY ORDERED that Pacific Gas and Electric Company be, and it is hereby, authorized to issue and deposit with the Amer-

ican Trust Company, the California trustee of its first and refunding mortgage, \$24,786,000.00 of its general and refunding mortgage bonds for the purpose of securing in part the payment of the 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.

IT IS HEREBY FURTHER ORDERED that the authority herein granted will become effective upon the date hereof.

IT IS HEREBY FURTHER ORDERED that Pacific Gas and Electric Company shall file with the Railroad Commission a verified report or reports, as required by the Railroad Commission's General Order No. 24, which order insofar as applicable, is made a part of this order.

DATED at San Francisco, California, this 28<sup>th</sup> day of March, 1935.

Mr. J. C. Curran

W. H. ...  
George P. ...

Commissioners.