

In addition \$7,000. of the Great Western Power Company bonds and \$445,000. of the Sierra and San Francisco Power Company bonds are held by applicant in its treasury.

The company reports that it is its purpose and intention to call for redemption the aforesaid \$50,001,000. of bonds and to surrender for cancellation the bonds held in its treasury. It is reported that the Great Western Power Company bonds are callable on July 1, 1936 at 106 per cent of face value plus accrued interest and that the Sierra and San Francisco Power Company bonds are callable on August 1, 1936 at 110 per cent of face value plus accrued interest, which prices will call for a total cash payment to effect the redemption of \$32,263,000.

To provide itself with part of the moneys necessary applicant proposes to issue and sell at not less than face value plus accrued interest an additional issue of \$30,000,000. of first and refunding mortgage bonds, Series H, 3-3/4%, due December 1, 1961, similar in form to the \$90,000,000. of Series H bonds recently authorized by the Commission by Decision No. 28626, dated March 16, 1936.

The proposed transaction, it appears, will result in annual savings to the company in excess of \$200,000., with no increase in the outstanding bonded indebtedness.

It is recited in the application that at the close of business on June 30, 1936, the unamortized discount and expense applicable to the \$18,446,000. of Great Western Power Company bonds to be redeemed will be \$72,956.94 and that the premium necessary to call them will be \$1,106,760., and that at the close of business on July 31, 1936 the unamortized debt discount and expense applicable to the \$11,555,000 of Sierra and San Francisco Power Company bonds to be redeemed will be \$227,671.21 and that the premium necessary to call them will be \$1,155,500., the four items making a total of \$2,562,888.15. Applicant asks permission to amortize the \$2,562,888.15 on or before December

1, 1961, the maturity date of the Series H bonds.

For accounting convenience this request may be granted. However, such permissive order by the Commission relating to the manner in which accounting entries may be made should not be taken as depriving the Commission of the power to withdraw its permit at any time or as binding it to the acceptance of such accounting entries if involved in other proceedings.

O R D E R

Pacific Gas and Electric Company having applied to the Railroad Commission for permission to issue and sell \$30,000,000. of bonds, and for other authority as indicated in the foregoing opinion, and the Commission being of the opinion that this is not a matter in which a public hearing is necessary, that the application should be granted, as herein provided, and that the money, property or labor to be procured or paid for through such issue is reasonably required for the purposes specified herein, 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 as follows:-

1. Pacific Gas and Electric Company may issue and sell, on or before August 1, 1936 at not less than their face value plus accrued interest, not exceeding \$30,000,000. of its first and refunding mortgage bonds, Series "E", 3-3/4% due December 1, 1961, and may, pending the preparation and delivery of definitive bonds in the amount of not exceeding said \$30,000,000., authenticate and deliver in lieu of said definitive bonds, temporary bonds, such temporary bonds to be issued and sold under the same terms and conditions as said definitive bonds.

2. Pacific Gas and Electric Company shall use the proceeds, other than accrued interest, to be derived through the issue and sale of the said \$30,000,000. of Series "E" bonds herein authorized to be issued and sold, to pay in part the cost of redeeming \$18,446,000. of Great Western Power Company first mortgage 5% bonds, and \$11,555,000. of Sierra and San Francisco Power Company first mortgage 5% bonds, referred to in the foregoing opinion. The accrued interest may be used for general corporate purposes.
3. Decision No. 11353, dated December 13, 1922, and Decision No. 12691, dated October 13, 1923, are hereby modified so as to permit Pacific Gas and Electric Company, unless and until otherwise directed, to amortize on or before December 1, 1961, the amount of the unamortized discount and expense applicable to the bonds to be paid and redeemed on July 1, 1936, and August 1, 1936, referred to in this order, and the premium to be paid in connection with the redemption of such bonds.
4. Pacific Gas and Electric Company shall file within thirty (30) days after the issue of the bonds herein authorized; (1) a report of such issue and of the disposition of the proceeds, as required by the Commission's General Order No. 24, which order insofar as applicable, is made a part of this order; (2) a copy of the prospectus under which said bonds are offered for sale by the underwriters; and (3) a copy of the contract between applicant and the underwriters.
5. Pacific Gas and Electric Company shall file on or before December 31, 1936, a statement showing in detail the expenses incurred by it because of the issue and sale

of the bonds herein authorized.

6. The authority herein granted will become effective when applicant has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is Nine Thousand Two Hundred Thirty-six and Fifty Hundredths (\$9,236.50) Dollars.

DATED at San Francisco, California, this 20th day of April, 1936.

M E Harris
Leon Whittell
M B Pen
Walter ...
Frank R. ...
Commissioners.

Fee # 9236 ⁵⁰/₁₀₀
RAILROAD COMMISSION
STATE OF CALIFORNIA
[Signature]
Fee # 32556