

Decision No. 23986

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 \$1,250,000.00 face amount of its First and Refunding Mortgage Bonds, Series H, 3-3/4%, due December 1, 1961, and to use the proceeds thereof for the purposes specified in this petition.

ORIGINAL

Application No. 23986

BY THE COMMISSION:

OPINION AND ORDER

This is an application by Pacific Gas and Electric Company for an order of the Railroad Commission authorizing it to issue and sell, at not less than the face value thereof plus accrued interest, \$1,250,000 of its First and Refunding Mortgage Bonds, Series H, 3-3/4%, due December 1, 1961, for the purpose of reimbursing its treasury.

In this and in former applications, Pacific Gas and Electric Company has advised the Commission that on or before March 31, 1940, it expended for permanent additions to and betterments of its properties, for the purchase and acquisition of new properties, and for the retirement of funded debt, the sum of \$118,729,108.37 for which it has not been reimbursed through the

issue of stock or bonds. The following tabulation shows how this figure was obtained.

Unreimbursed capital expenditures and advances to affiliated companies at March 31, 1939. (Exhibit B, in Application No. 22965)		\$ 81,846,759.03
Construction expenditures from April 1, 1939, to Mar. 31, 1940		19,964,318.47
Additional costs of acquiring properties		122,064.14
Unexpended balances of authorized capital expenditures at Mar. 31, 1940 (Exhibit C, in Application No. 23647)		16,661,229.23
Retirement of The Standard Electric Company of California First Mortgage 5% bonds, due Sept. 1, 1939		<u>2,399,000.00</u>
	Total	\$120,993,370.87

Reimbursement received:		
From sale of \$1,260,000 of series H bonds, authorized by Decision No. 32313, in Application No. 22965	\$1,332,450.00	
From sale of \$850,000 of series H bonds authorized by Decision No. 33458, in Application No. 23647	<u>931,812.50</u>	<u>2,264,262.50</u>
	Balance	<u>\$118,729,108.37</u>

The Commission is not called upon in this proceeding to approve all the expenditures making up the reported unreimbursed balance of \$118,729,108.37, and the order herein should not be construed as such an approval. It appears that the company has had surplus earnings well in excess of the proposed bond issue and that such earnings have been invested in the company's properties.

The Commission has considered applicant's request and is of the opinion that a public hearing is not necessary in this matter, that applicant should be authorized to issue the

\$1,250,000 of bonds pursuant to its application, that the money, property or labor to be procured or paid for through such issue is reasonably required for the purpose specified herein and that the expenditures for such purpose 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 hereby is, authorized to issue and sell, on or before June 1, 1941, at not less than the face value thereof, plus accrued interest, not exceeding \$1,250,000 of its First and Refunding Mortgage Bonds, Series H, 3-3/4%, due December 1, 1961, and to use the proceeds from the sale of said bonds, exclusive of accrued interest, to reimburse its treasury, in part, on account of capital expenditures made on or prior to March 31, 1940, for permanent additions to and betterments of its properties and for the purchase and acquisition of new properties, the cost of which is chargeable to investment or fixed capital accounts.

IT IS HEREBY FURTHER ORDERED that the accrued interest received by Pacific Gas and Electric Company may be used for general corporate purposes.

IT IS HEREBY FURTHER ORDERED that Pacific Gas and Electric Company shall keep such record of the issue 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-A, which order, insofar as applicable, is made a part of this order.

IT IS HEREBY FURTHER ORDERED that the authority herein

granted will become effective when Pacific Gas and Electric Company has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is One Thousand, One Hundred Twenty-five (\$1,125.00) Dollars.

Dated at ~~San Francisco~~ ^{Los Angeles}, California, this 18th day of February, 1941.

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Commissioners

\$ 1125.00
RAILROAD COMMISSION
STATE OF CALIFORNIA
PAID
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SECRETARY