

Decision No. 35551

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

IN THE MATTER OF THE APPLICATION OF CALIFORNIA ELECTRIC POWER COMPANY FOR AN ORDER UNDER SECTION 52 OF THE PUBLIC UTILITIES ACT AUTHORIZING THE ISSUANCE OF A NOTE, AND OF INTERSTATE TELEGRAPH COMPANY FOR AN ORDER UNDER SECTION 52½ OF SAID ACT AUTHORIZING IT TO GUARANTEE PAYMENT OF SUCH NOTE.

Application  
No. 25087

ORIGINAL

BY THE COMMISSION:

O R D E R

WHEREAS, California Electric Power Company has asked permission to issue to Bank of America National Trust and Savings Association its note for the sum of \$250,000, such note to bear interest at the rate of 3% per annum, payable monthly, and the principal amount to be repaid in monthly installments, commencing with \$10,000 on or before the first day of the fourth month after the date of the note and continuing at the rate of \$7,500 on or before the first day of each consecutive month thereafter for thirty-two months, said note to be issued under the terms and conditions of the loan agreement on file in this proceeding as Exhibit "A," and

WHEREAS, said California Electric Power Company desires permission to use the proceeds of said note to acquire

\$250,000 of capital stock of Interstate Telegraph Company, who asks permission to guarantee the payment of said note, and

WHEREAS, Interstate Telegraph Company will use the proceeds from said stock issue only for the extension, expansion, and development of its communication facilities, and for no other purpose, and

WHEREAS, the Railroad Commission has considered applicants' requests and it being of the opinion that this is not a matter on which a hearing should be held; that the money realized through the issue of said note by California Electric Power Company is reasonably required by it to acquire \$250,000 par value of capital stock of Interstate Telegraph Company; that the expenditures for said purpose are not, in whole or in part, reasonably chargeable to operating expenses or to income, and that this application should be granted subject to the provisions of this order, therefore

IT IS HEREBY ORDERED that California Electric Power Company be, and it is hereby, authorized to issue, after the effective date hereof and on or before October 1, 1942, to Bank of America National Trust and Savings Association its note for the sum of not exceeding \$250,000, said note to be issued under the terms and conditions of the loan agreement filed in this proceeding as Exhibit "A."

IT IS HEREBY FURTHER ORDERED that California Electric Power Company shall use the proceeds realized through the issue of said note to acquire \$250,000 par value of common stock of Interstate Telegraph Company, which stock California Electric Power Company is hereby authorized to acquire and hold.

IT IS HEREBY FURTHER ORDERED that Interstate Telegraph Company be, and it is hereby, authorized to guarantee the payment of said \$250,000 note.

IT IS HEREBY FURTHER ORDERED that California Electric Power Company and Interstate Telegraph Company may, concurrently with the issue of said note, execute a loan agreement similar in its terms and conditions to the loan agreement on file in this proceeding as Exhibit "A."

IT IS HEREBY FURTHER ORDERED that the authority herein granted will become effective when California Electric Power Company has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is Two Hundred and Fifty (\$250.00) Dollars.

IT IS HEREBY FURTHER ORDERED that within thirty (30) days after the issue of said note, California Electric Power Company shall file with the Railroad Commission a true, correct and complete copy of the note issued and of the loan agreement executed under the authority herein granted, together with a statement showing the purposes for which it expended the proceeds realized through the issue of said note.

Dated at San Francisco, California, this 7<sup>th</sup> day of July, 1942.

By Riley

Francis R. Havenue  
Richard L. Schaefer  
Commissioners.

