

Decision No. 40884

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
California Electric Power Company	:	Application
for an order authorizing the issuance)	No. 28814
of notes.	:	
-----)	

OPINION AND ORDER

California Electric Power Company asks permission to issue to the Bank of America National Trust and Savings Association ten notes of the aggregate face amount of \$1,000,000 to refund \$1,000,000 face amount of notes now outstanding.

Applicant on April 9, 1947, issued to the Bank of America National Trust and Savings Association its 1½% unsecured note for the sum of \$500,000. The note matures November 30, 1947. On May 29, 1947, it issued to said Bank another \$500,000 unsecured 1½% note. This note also matures on November 30, 1947. The proceeds of the two notes were used by applicant to pay in part the cost of extensions and improvements to its properties.

The new notes will be dated November 30, 1947. One note will mature on January 18, 1948, and the others at the rate of one note per annum on January 18. The notes will bear a maximum interest rate of 2½% and a minimum of 2%. The actual rate will be 1% per annum in excess of the New York discount rate for banks, which are members of the Federal Reserve System, for 90-day commercial paper, as published by the Federal Reserve Bank of New York, in effect on the first day of January, April, July and

October of each year. The payment of the notes will not be secured by any lien on the applicant's properties.

The Commission has considered applicant's request and is of the opinion that this is not a matter on which a hearing is necessary, that the money, property or labor to be procured or paid for through the issue of \$1,000,000 of notes is reasonably required by California Electric Power Company for the purposes herein stated, which purposes 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 opinion and order, therefore,

IT IS HEREBY ORDERED as follows:

1. California Electric Power Company may, after the effective date hereof and on or before December 31, 1947, issue to the Bank of America National Trust and Savings Association ten (10) promissory notes, each for \$100,000; each note to bear interest at the rate of not more than 2½% per annum, payable quarterly. One note shall mature on January 18, 1948, and the others at the rate of one note per annum thereafter on January 18.

2. California Electric Power Company shall use the proceeds from said notes to refund the two \$500,000 notes referred to herein.

3. 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 one thousand (\$1,000.00) dollars.

4. Within thirty (30) days after the issue of the notes herein authorized, California Electric Power Company shall file with the Commission a copy of each note issued under the authority herein granted, and a statement showing the purposes for which it used the proceeds realized through the issue of said notes.

Dated at San Francisco, California, this 4th day of November, 1947.

Harold P. Hule
Justus J. Galvin
Earl H. Farnell
R. E. Anderson

Commissioners

