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Decision No. 42412

DENGIMAL BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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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 \$80,000,000 principal amount of its First and Refunding Mortgage Bonds, Series M, 3% due December 1, 1979, and to use the proceeds for the purposes specified in this petition, etc.

Application No. 26584 (Third Supplemental)

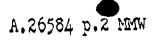
THIRD SUPPLEMENTAL ORDER

The Commission by Decision No. 37815, dated April 17, 1945, authorized Pacific Gas and Electric Company to account for the nonrecurring reduction during 1945 in federal taxes on income, estimated at \$4,287,000, by crediting the sum of \$1,719,856.56 to Account 228, Taxes Accrued, and the sum of \$2,567,143.44, together with any portion of the \$1,719,856.56 remaining after final determination and settlement of its liability for federal taxes on income for the years 1941 to 1944, to Reserve for Pensions.

As of December 1, 1945, applicant adopted a retirement plan covering services prior to January 1, 1937. Pursuant to this plan it paid to the Crocker First National Bank of San Francisco as trustee \$13,600,000, and thereby funded the pension reserve. The pension reserve which was previously provided is therefore no longer required.

Applicant reports that its income tax liability for the years 1941 and 1942 has been determined, that its returns for 1943,

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1944 and 1945 have been audited, and that such audit shows that no additional tax accrual will be required for those years. Applicant therefore asks permission to apply the \$1,719,856.56 as a credit against the accrual of federal income taxes for the year 1949-

The Commission has considered applicant's request and is of the opinion that such request should be granted; therefore,

IT IS HEREBY ORDERED that Pacific Gas and Electric Company may apply all of said \$1,719,856.56 as a credit against the accrual of federal income taxes for the year 1949.

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

Dated at San Francisco, California, this $\frac{\sqrt{8}}{\sqrt{8}}$ day of October, 1949.