

ORIGINAL

Decision No. 44231

BEFORE THE PUBLIC UTILITIES 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 )  
 Public Utilities Commission of the :  
 State of California authorizing )  
 applicant to issue and sell :  
 \$30,000,000 aggregate principal )  
 amount of its First and Refunding :  
 Mortgage Bonds, Series T, due )  
 June 1, 1976, and to use the pro- :  
 ceeds thereof for the purposes )  
 stated in this petition. :  
 ----- )

Application  
No. 31403

OPINION

Pacific Gas and Electric Company has filed this applica-  
tion for an order authorizing it to issue and sell \$80,000,000 of  
its First and Refunding Mortgage Bonds, Series T, due June 1, 1976.

If authorized to issue and sell said bonds, applicant  
proposes to use the proceeds to reimburse its treasury, in part, on  
account of capital expenditures made on or prior to February 28,  
1950, or to pay in part the cost of additions to, extensions of,  
and betterments or improvements to its plants, properties and  
facilities, made or to be made subsequent to February 28, 1950. As  
shown in Exhibit B filed in this proceeding, applicant reports its  
capital expenditures as of February 28, 1950, for which it has not  
been reimbursed through the issue and sale of securities, at  
\$243,445,594.23, and the unexpended balances, as of the same date,  
of General Manager's authorizations for capital additions and  
improvements at \$143,957,178.80, segregated as follows:

Electric	\$ 94,022,275.05
Gas	48,847,741.27
Water	174,524.74
Steam Sales	328.58
Non-operative	170,908.71
Common Utility	<u>741,400.45</u>
Total	<u>\$143,957,178.80</u>

Applicant has filed with the Commission statements showing the nature of the items of construction presently authorized by its management, with unexpended balances aggregating \$143,957,178.80. In addition, it has advised the Commission of its general program and has estimated that for 1950 and 1951 its expenditures for plant will aggregate \$300,000,000 to meet increased demands on its system and to anticipate future growth.

The record shows that applicant has financed its construction requirements, in part, through the issue of bonds, preferred and common stock. Recently, under authority granted by Decision No. 43889, dated March 7, 1950, as amended, it issued and sold \$41,403,900 par value of its common capital stock for the sum of \$49,772,226.60 for the purpose of reimbursing its treasury and of financing the cost of plant. Its capital ratios as reflected by its balance sheet as of February 28, 1950, and after giving effect to the subsequent issue of common stock and to the proposed issue of bonds, are as follows:

	<u>Feb. 28, 1950</u>	<u>Pro Forma</u>
Bonds	52%	53%
Preferred stock	23	21
Equity capital	<u>25</u>	<u>26</u>
Total	<u>100%</u>	<u>100%</u>

Applicant intends to offer its bonds for sale at competitive bidding. It presently contemplates that its registration

statement will become effective not later than June 7, 1950, that it will publish its invitation for the submission of bids on June 8, 1950, and that it will open the bids on June 13, 1950. To enable it to adhere to this program, it asks that it be authorized to open said bids five days after the publication of the invitation, in lieu of the ten days required by the Commission's competitive bidding rule.

A review of the application indicates that applicant has need for the funds to be obtained through the issue and sale of its bonds to enable it to proceed with its construction program and that a preliminary order should be entered at this time in this proceeding. At a later date, applicant will file a supplemental application for the Commission's consideration showing the interest rate and terms of redemption of said bonds and the price at which it proposes to sell the same.

#### O R D E R

The Commission having considered the above entitled matter and being of the opinion that a public hearing thereon is not necessary, that the money, property or labor to be procured or paid for through the issue of \$80,000,000 of bonds is reasonably required by applicant for the purposes indicated herein, that such purposes, other than accrued interest, are not, in whole or in part, reasonably chargeable to operating expenses or to income, and that this application should be granted, as herein provided; therefore,

IT IS HEREBY ORDERED as follows:

1. Pacific Gas and Electric Company, after the effective date hereof and on or before July 31, 1950, may publish an invitation for bids for the purchase of \$80,000,000 of First Mortgage Bonds, Series T, due June 1, 1976, not less than five (5) days prior to the date fixed for the opening of said bids.

2. Pacific Gas and Electric Company, after the effective date hereof and on or before July 31, 1950, may issue and sell, at a price to be fixed by the Commission in a supplemental order, said \$80,000,000 principal amount of first mortgage bonds.

3. The authority herein granted to issue and sell said \$80,000,000 of bonds will become effective when the Commission, by a supplemental order, has fixed the price at which applicant may sell said bonds, and when applicant has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is twenty-three thousand (\$23,000.00) dollars. All other authority herein granted is effective upon the date hereof.

4. Applicant shall use the proceeds, exclusive of accrued interest, to be obtained through the issue and sale of said \$80,000,000 of bonds for the purposes set forth in this application. The accrued interest may be used for general corporate purposes.

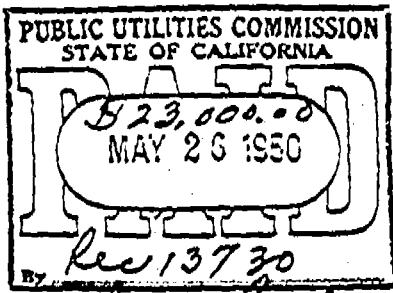
5. Pending the preparation and delivery of definitive bonds, applicant may execute, authenticate and deliver temporary bonds in lieu of such definitive bonds, such temporary bonds to be issued and sold under the same terms and conditions as those under which said \$80,000,000 of definitive bonds are herein authorized to be issued and sold.

6. Within sixty (60) days after the issue and sale of the bonds herein authorized, applicant shall file with the Commission two (2) copies of its prospectus, and a report showing the names of those to whom such bonds were sold, the amount sold to each, and the consideration received.

7. Within six (6) months after the issue and sale of said bonds, applicant shall file with the Commission a statement showing in detail the expenses incurred by it in connection with such issue and sale, and the account, or accounts, to which such expenses were charged.

Dated at San Francisco, California, this 26<sup>th</sup> day of May, 1950.

R. Z. Anderson  
Justice F. Coleman  
Harold H. Hill  
Commissioners



Rec 13730  
Gene Perala