

ORIGINALDecision No. 48315

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)	
of CALIFORNIA ELECTRIC POWER	:	
COMPANY for Authority to Refund)	
a Portion of its Obligation to	:	Application
Bank of America National Trust)	No. 34104
and Savings Association by Re-	:	
newing Certain Short-Term Prom-)	
issory Notes.	:	
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OPINION AND ORDER

This is an application for an order authorizing California Electric Power Company to issue its promissory notes in the aggregate principal amount of \$1,050,000 for the purpose of refunding outstanding indebtedness.

The application shows that on June 1, 1951, applicant entered into a loan agreement with Bank of America National Trust and Savings Association and other banks providing for a revolving credit of \$9,000,000 to applicant for the period from June 1, 1951, to April 30, 1953, with borrowings under the credit to be represented by promissory notes payable not more than twelve months after the dates of issue. The application further shows that applicant had outstanding notes in the remaining unpaid balances of \$4,750,000 at the date of the filing of this application and that it contemplated the issue of an additional note for \$1,500,000. The notes outstanding, plus the additional borrowing, are as follows:

<u>Date of Note</u>	<u>Date Due</u>	<u>Rate of Interest</u>	<u>Amount</u>
Mar. 24, 1952	Mar. 22, 1953	3-1/4%	\$ 550,000
Apr. 24, 1952	Apr. 22, 1953	3-1/4	500,000
May 26, 1952	May 24, 1953	3-1/4	1,000,000
June 24, 1952	June 22, 1953	3-1/4	500,000
Sept. 24, 1952	Sept. 22, 1953	3-1/4	500,000
Nov. 24, 1952	Nov. 20, 1953	3-1/4	1,200,000
Jan. 26, 1953	Jan. 25, 1954	3-1/4	500,000
Feb. 24, 1953	Feb. 23, 1954	3-1/4	1,500,000
		Total	<u>\$6,250,000</u>

The notes represent temporary borrowings for the purpose of financing in part the cost of construction of applicant's steam generating plant and extensions and improvements of its facilities, including those of its wholly-owned subsidiary, Interstate Telegraph Company.

Applicant now is initiating proceedings looking toward the issue of 136,249 shares of common stock and \$8,000,000 in principal amount of first mortgage bonds for the purpose of paying its outstanding notes and of providing funds to enable it to proceed with its 1953 construction program. It appears, however, that the proceeds from these sales are not expected to be available until after the maturity dates of the first two notes shown in the preceding tabulation. Accordingly, applicant proposes to refund the unpaid balances of these two notes upon their maturity for an additional period of not exceeding twelve months.

The Commission has considered this matter and is of the opinion that a public hearing is not necessary; that the application should be granted, as herein provided; that the money, property or labor to be procured or paid for by the issue of the notes herein authorized is reasonably required by applicant for the purpose specified herein; and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

1. California Electric Power Company, on and after the effective date hereof and on or before April 30, 1953, may issue its promissory notes in the aggregate principal amount of not exceeding \$1,050,000 for the purpose of refunding the unpaid portions of the presently outstanding notes which will mature on March 22, 1953, and

April 22, 1953, such new notes to be payable on or before twelve months after their dates of issue with interest at not exceeding 3-1/4% per annum.

2. California Electric Power Company shall file with the Commission monthly reports as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

3. The authority herein granted will become effective when California Electric Power Company has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$1,025.00.

Dated at San Francisco, California, this 2nd day of March, 1953.

R. T. [Signature]
President

Justus F. Calmer
Harold K. [Signature]

[Signature]
[Signature]
Commissioners

