

ORIGINAL

Decision No. 53326

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 CALIFORNIA-PACIFIC UTILITIES COMPANY)
 for an order authorizing it to execute)
 and deliver a First Supplemental)
 Indenture to be dated as of June 1,)
 1956, supplemental to its Indenture)
 dated as of April 1, 1952.)
 -----)

Application
No. 38118

OPINION AND ORDER

This is an application by California-Pacific Utilities Company for authorization to execute and deliver a supplemental trust indenture.

Under date of April 1, 1952, applicant executed a trust indenture with Central Bank, as trustee, and pursuant to the terms of such indenture issued and sold, to two life insurance companies, \$2,000,000 in principal amount of 4-1/4% debentures due April 1, 1972, which amount subsequently has been reduced to \$1,600,000.

Section 5.07(a) of the indenture now limits applicant's unsecured borrowings at any one time to \$1,000,000 plus the amount of bonds not previously funded that could be delivered pursuant to applicant's first mortgage indenture on the basis of net property additions. Applicant reports that, because of its continuing expansion, such limitation has since proven unrealistic and has unnecessarily restricted its short-term borrowing power and that it has obtained the consent of the holders of all the debentures to a modification of the limitation so as to increase its borrowing capacity.

Applicant proposes to execute and deliver to First Western Bank and Trust Company, as successor trustee under the indenture, a

first supplemental indenture, to be dated as of June 1, 1956. Under the indenture as thus amended, the only restriction on short-term borrowings will be that, when added to all other indebtedness outstanding at any given time (including current maturities of long-term debt), such borrowings may not exceed 60% of applicant's total capitalization, plus short-term loans and current maturities of long-term debt, at such time. The amendment should permit flexibility in short-term borrowings necessary for applicant's continuing expansion program pending permanent financing. On the basis of information now before us we shall authorize applicant to execute the supplemental indenture.

The Commission has considered this matter and is of the opinion that a public hearing is not necessary and that the request of applicant should be granted, therefore,

IT IS HEREBY ORDERED as follows:

1. California-Pacific Utilities Company may execute and deliver a first supplemental indenture dated as of June 1, 1956, in, or substantially in, the same form as that filed in this proceeding as Exhibit A.

2. The authority herein granted will become effective on the date hereof.

Dated at San Francisco, California, this 10th day of July, 1956.

[Signature]
President
James F. Cooney
Raymond J. Cooney
[Signature]
[Signature]

Commissioners