

ORIGINAL

Decision No. 59095

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of Application of
CALIFORNIA ELECTRIC POWER COMPANY
for Authority to Refund Certain
Obligations to Bank of America
National Trust and Savings
Association by Issuing Short-
Term Promissory Notes.

Application No. 41497

OPINION AND ORDER

This is an application for an order of the Commission authorizing California Electric Power Company to issue notes in the aggregate principal amount of \$4,000,000 for the purpose of refunding outstanding indebtedness.

The application shows that on September 16, 1958, the company entered into a loan agreement with Bank of America National Trust and Savings Association providing for a revolving line of credit of \$15,000,000 from October 31, 1958 to October 31, 1959, and that at the present time it has outstanding notes, pursuant to the terms of such loan agreement, in the total amount of \$4,000,000, which it anticipates will be the amount outstanding on October 31, 1959. No authorization was obtained from this Commission for the issue of the notes because each note, by its terms, will mature in less than 12 months from the date of issue and no such outstanding note has been renewed or is a renewal of any other note.

On August 31, 1959, applicant entered into a new loan agreement with the bank providing for a revolving line of credit of \$15,000,000 running from October 31, 1959 to October 31, 1960, by the terms of which applicant will be required, among other things, to refund all notes outstanding on October 31 of this year which were issued under the loan agreement previously executed and now in effect. Applicant now seeks permission to issue renewal notes up to \$4,000,000 to meet these obligations. The new notes will be payable not more than 12 months after date of issue and will bear interest at a rate which shall be equal at all times to the bank's prime rate as determined for 90-day to 180-day prime commercial loans.

The Commission has considered this matter and is of the opinion that a public hearing is not necessary, 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; NOW THEREFORE,

IT IS HEREBY ORDERED as follows:

1. California Electric Power Company may issue its promissory notes, under the loan agreement with Bank of America National Trust and Savings Association dated August 31, 1959, in the aggregate principal amount of not to exceed \$4,000,000 for the purpose of refunding notes issued under the previous loan agreement dated September 16, 1958.

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

3. The authorization herein granted is for the issue of notes only and is not to be construed as indicative of amounts to be included in a future rate base for the purpose of determining just and reasonable rates.

4. 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 \$2,500.

Dated at San Francisco, California,
this 6th day of October, 1959.

President
John E. Mitchell

L. J. Fox

Theodore H. Jenner

