

ORIGINAL

Decision No. 62737

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. 43826
Filed October 10, 1961

O P I N I O N

This is an application for an order of the Commission authorizing California Electric Power Company, a corporation, applicant herein, to issue notes in the aggregate principal amount of \$1,750,000 for the purpose of refunding outstanding indebtedness.

Under date of September 29, 1960, applicant 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, 1960 to October 31, 1961, and it reports that at the time of filing this application it had outstanding notes, pursuant to the terms of such loan agreement, in the total amount of \$1,750,000. Applicant did not seek authority from this Commission to issue such notes because each note, by its terms, will mature in less than 12 months from the issue date, and no such note is a renewal of any other note.

Applicant has entered into a new loan agreement dated September 18, 1961, with Bank of America National Trust and Savings Association providing for a revolving line of credit of \$15,000,000 running from October 31, 1961 to October 31, 1962, and requiring applicant to refund all notes outstanding on October 31, 1961, which it issued under the September 29, 1960, loan agreement. Applicant now seeks permission to issue renewal notes aggregating \$1,750,000 to meet such obligation. The new notes will be payable not more than 12 months after date of issue, and will bear interest at a rate equal to the bank's prime rate as determined for 90-day to 180-day prime commercial loans.

The Commission has considered this application and finds and concludes (1) that the proposed issue of notes is for a proper purpose; (2) 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 (3) that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income.

We will enter an order on the basis of the foregoing findings. 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.

ORDER

The Commission having considered this application and being of the opinion that a public hearing is not necessary and that it should be granted, therefore,

IT IS ORDERED that -

1. California Electric Power Company, a corporation, may issue its promissory note, or notes, under the loan agreement with Bank of America National Trust and Savings Association dated September 18, 1961, in the aggregate principal amount of not to exceed \$1,750,000 for the purpose of refunding notes issued under the previous loan agreement dated September 29, 1960.

2. California Electric Power Company, a corporation, 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. This order shall become effective when California Electric Power Company, a corporation, has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$1,375.

Dated at San Francisco, California, this 31st day of OCTOBER, 1961.

[Signature]
President

[Signature]

[Signature]

George G. Grover

Fredrick B. Halbachoff
Commissioners

