

ORIGINAL

Decision No. 642S5

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
PACIFIC POWER & LIGHT COMPANY

For an Order authorizing an extension of the period within which Applicant may issue its unsecured promissory notes in the aggregate principal amount of \$45,000,000 at any one time outstanding.

Application No. 44738  
Filed August 28, 1962

O P I N I O N

This is an application for an order of the Commission authorizing Pacific Power & Light Company, applicant herein, to issue \$45,000,000 aggregate principal amount of promissory notes to a group of banks in accordance with the terms of its credit agreement as supplemented by a proposed letter agreement.

As of August 15, 1961, Pacific Power & Light Company entered into a credit agreement with a group of banks providing for a revolving line of credit in the aggregate amount of \$45,000,000, the borrowings thereunder to be represented by notes payable not later than March 31, 1963. The company now reports that it desires to extend the credit thus available to it until March 31, 1964, and that it proposes to enter into a letter agreement, to supplement its existing agreement, whereby it will have the right to borrow and reborrow

from the banks for the additional year up to an amount not exceeding \$45,000,000 at any one time outstanding, the borrowings to be represented by notes to mature eleven months after dates of issue or on March 31, 1964, whichever shall be earlier, with interest at a rate per annum equivalent to the prime commercial rate of interest charged by Morgan Guaranty Trust Company of New York from time to time.

The purpose of the proposed arrangement is to provide applicant with temporary financing of its construction program. It reports that its estimated capital expenditures will amount to approximately \$25,781,000 during the last six months of 1962, to approximately \$56,000,000 during 1963 and to approximately \$13,000,000 during the first quarter of 1964. The application contains a detailed statement of the proposed expenditures.

We have considered this application and we find that applicant will have need for funds for temporary financing of its construction program. We are of the opinion 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.

The authorization herein given is for the issue of notes 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.

O R D E R

The Commission has considered this application and has determined that a public hearing is not necessary.

IT IS ORDERED that -

1. Pacific Power & Light Company, on and after the effective date hereof and on or before March 31, 1964, may issue, repay and reissue its notes, pursuant to the terms of its credit agreement dated as of August 15, 1961, as supplemented by a letter agreement dated as of August 14, 1962, in an aggregate principal amount of not to exceed \$45,000,000 at any one time outstanding for the purpose set forth in this application.

2. Within thirty days after the issue of each note under the authorization herein granted, applicant shall file a report with the Commission showing the date of issue of said note, the name of the payee and the amount, together with a statement showing, in general, the purpose for which the issue was made.

3. This order shall become effective when applicant has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$14,250.

Dated at San Francisco, California,  
this 25<sup>th</sup> day of SEPTEMBER, 1962.

George H. Brewer President  
Richard E. Mitchell  
John J. Fox  
Ernest Allright  
Frederic B. Holbrook Commissioners

PUBLIC UTILITIES COMMISSION  
STATE OF CALIFORNIA  
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